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ABSTRACT

The transcript of a congressional hearing on a proposed bill to extend and amend the National School Lunch Act and the Child Nutrition Act of 1966 is provided in this document. Representatives of the Food and Nutrition Service and the U.S. Department of Agriculture, testified that the proposed bill runs counter to the policies of the Reagan Administration. This is followed by testimony from a variety of individuals who called for extending current school lunch programs, expanding eligibility criteria, and lowering the per meal cost to participants. School lunch and other child nutrition programs were acclaimed by these witnesses as helping to improve the nutritional status of children from low income families. (KH)

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HEARING TO EXTEND FIVE EXPIRING CHILD NUTRITION PROGRAMS

ED263291

HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 7

HEARING HELD IN WASHINGTON, DC, APRIL 2, 1985

Serial No. 99-17

Printed for the use of the Committee on Education and Labor

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HEARING TO EXTEND FIVE EXPIRING CHILD NUTRITION PROGRAMS

TUESDAY, APRIL 2, 1985

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION,
Washington, DC.

The subcommittee met, pursuant to call, at 9:45 a.m., in room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman of the subcommittee) presiding.

Members present: Representatives Hawkins, Kildee, Martinez, Hayes, Goodling, Chandler, McKernan, and Gunderson.

Staff present: Jack Jennings, majority counsel; Mary Jane Fiske, Republican senior legislative associate; and Mary O'Hara, staff.

[Text of H.R. 7 follows:]

[H. R. 7, 99th Congress, 1st Session]

A BILL To extend and improve the National School Lunch Act and the Child Nutrition Act of 1966

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "School Lunch and Child Nutrition Amendments of 1985".

AUTHORIZATIONS OF APPROPRIATIONS UNDER THE CHILD NUTRITION ACT OF 1966

SEC. 2. (a) Section 17 of the Child Nutrition Act of 1966 is amended—

(1) in subsection (c)(2) by striking out "Subject to" and all that follows through "1984," and inserting in lieu thereof "subject to amounts appropriated for the purposes of this program under subsection (g)—";

(2) in subsection (g) by striking out the first sentence and inserting in lieu thereof "There are authorized to be appropriated $1,550,000,000 for fiscal year 1985, $1,700,000,000 for fiscal year 1986, $1,850,000,000 for fiscal year 1987, and $2,000,000,000 for fiscal year 1988, for the purpose of carrying out the program authorized by this section."; and

(3) in subsection (h)(2) by striking out "1984" and inserting in lieu thereof "1988".

(b) Section 7(i) of the Child Nutrition Act of 1966 is amended by striking out "1984" and inserting in lieu thereof "1988".

(c) Section 19(j)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(2)) is amended—

(1) by striking out "1984" and inserting in lieu thereof "1988"; and

(2) by striking out in the second sentence "$5,000,000" and inserting in lieu thereof "$7,500,000".

AUTHORIZATIONS OF APPROPRIATIONS UNDER THE NATIONAL SCHOOL LUNCH ACT

SEC. 3. (a) Section 13(p) of the National School Lunch Act (42 U.S.C. 1761(p)) is amended by striking out "1984" and inserting in lieu thereof "1988".

(b) Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking out "1984" and inserting in lieu thereof "1988".

INCREASE IN FEDERAL REIMBURSEMENT FOR REDUCED PRICE MEALS

SEC. 4. (a) Section 11(a)(2) of the National School Lunch Act is amended by striking out "40" and inserting in lieu thereof "25".

(b) Section 9(b)(3) of the National School Lunch Act is amended in the third sentence by striking out "40" and inserting in lieu thereof "25".

(c) Section 4(b) of the Child Nutrition Act of 1966 is amended—

(1) in paragraphs (1)(B) and (1)(C) by striking out "30" and inserting in lieu thereof "15"; and

(2) in paragraph (2)(C) by striking out "thirty" and inserting in lieu thereof "fifteen".

INCREASE IN INCOME GUIDELINES FOR DETERMINING ELIGIBILITY FOR REDUCED PRICE MEALS

SEC. 5. Section 9(b)(1)(A) of the National School Lunch Act is amended in the fourth sentence by striking out "185" and inserting in lieu thereof "195".

ADDITIONAL FUNDING TO IMPROVE SCHOOL BREAKFAST PROGRAM MEAL PATTERN

SEC. 6. (a) Section 4(b) of the Child Nutrition Act of 1966 is amended by inserting at the end thereof the following paragraph:

"(3) The Secretary shall increase by 6 cents the annually adjusted payment for each breakfast served under this Act and section 17 of the National School Lunch Act to assist States in improving the nutritional quality of such breakfasts, to the extent feasible.".

(b) The Secretary of Agriculture shall review and revise the nutrition requirements for meals served under the school breakfast program to improve the nutritional quality of such meals, taking into consideration both the findings of the National Evaluation of School Nutrition Programs and the need to provide increased flexibility in meal planning to local school food service authorities. Not later than one hundred and eighty days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement such revisions.

EXTENSION OF OFFER VERSUS SERVE PROVISION TO THE SCHOOL BREAKFAST PROGRAM

SEC. 7. Section 4(e) of the Child Nutrition Act of 1966 is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) Students in schools that participate in the school breakfast program under this Act, at the option of the local school food authority, may be allowed to refuse not more than one item of such meal which they do not intend to consume, and any such failure to accept such offered food item shall not affect the full charge to the student for a breakfast meeting the requirements of this section or the amount of payments made under this Act to any such school for such breakfast.".

CHANGE IN TUITION LIMITATION FOR PRIVATE SCHOOLS

SEC. 8. (a) Section 12(d)(5) of the National School Lunch Act is amended—

(1) in the first sentence by striking out "$1,500" and inserting in lieu thereof "$2,500"; and

(2) by inserting at the end thereof the following new sentence: "On July 1, 1985, and on each subsequent July 1, the Secretary shall prescribe an annual adjustment in the tuition limitation amount in the first sentence of this paragraph to reflect changes in the Consumer Price Index for All Urban Consumers during the most recent twelve-month period for which such data is available.".

(b) Section 15(c) of the Child Nutrition Act of 1966 is amended—

(1) in paragraph (A) by striking out "$1,500" and inserting in lieu thereof "$2,500"; and

(2) by inserting at the end thereof the following new sentence: "On July 1, 1985, and on each subsequent July 1, the Secretary shall prescribe an annual adjustment in the tuition limitation amount in the first sentence of this para-

graph to reflect changes in the Consumer Price Index for All Urban Consumers during the most recent twelve-month period for which such data is available.".

ADDITION OF ONE MEAL AND ONE SNACK TO THE CHILD CARE FOOD PROGRAM

SEC. 9. Section 17(f)(2)(B) of the National School Lunch Act is amended by striking out "two meals and one supplement" and inserting in lieu thereof "three meals and two supplements".

EXCLUSION OF CERTAIN MEDICAL EXPENSES FROM INCOME OF HOUSEHOLD

SEC. 10. Section 9(b)(3) of the National School Lunch Act is amended—

(1) by inserting "(A)" after "(3)"; and

(2) by inserting at the end of such paragraph the following new subparagraph:

"(B) For purposes of determining eligibility under subparagraph (A), 'household income' does not include unusually high medical payments which (i) could not be reasonably anticipated or controlled by the household, and (ii) were not recoverable through public or private sources.".

ELIMINATION OF REFERENCE TO FOOD STAMP PROGRAM ELIGIBILITY STANDARDS

SEC. 11. Section 9(b)(1)(A) of the National School Lunch Act is amended—

(1) by striking out in the second sentence "For the school years ending June 30, 1982, and June 30, 1983, the" and inserting in lieu thereof "The"; and

(2) by striking out the third sentence.

VERIFICATION LIMITATION

SEC. 12. Section 9(b)(2)(C) of the National School Lunch Act is amended by striking out the period at the end of the third sentence and inserting in lieu thereof ", except that the Secretary may not require any such verification for any fiscal year for which funds have not been appropriated to reimburse local school food authorities for the direct costs, as defined by commonly accepted accounting principles, attributable to such verification. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out any verification required under this subparagraph.".

RESTORATION OF CERTAIN KINDERGARTENS TO SPECIAL MILK PROGRAM

SEC. 13. Section 3(a) of the Child Nutrition Act of 1966 is amended in the first sentence immediately before ", and (2)" by inserting "(except that the preceding limitation shall not apply to kindergarten programs in such schools)".

CHILD CARE FOOD PROGRAM REIMBURSEMENT RATES

SEC. 14. (a) Section 17(b) of the National School Lunch Act is amended by striking out "as provided in subsection (f)" and inserting in lieu thereof "served in the manner specified in subsection (c)".

(b) Section 17(c) of the National School Lunch Act is amended to read as follows:

"(c) The Secretary shall provide assistance to each State in the following manner:

"(1) For meals served to children in institutions, other than family or group day care home sponsoring organizations, where no less than two-thirds of the children enrolled are members of families that satisfy the income standards for free and reduced-price school meals under section 9 of this Act, and no less than one-third of the children enrolled are members of families that satisfy the income standards for free school meals under section 9 of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

"(A)(i) the total number of breakfasts served in the State in these institutions by (ii) the national average payment rate for free breakfasts under section 4 of the Child Nutrition Act of 1966;

"(B)(i) the total number of lunches and suppers served in the State in these institutions by (ii) the sum of the national average payment rate for lunches under section 4 of this Act, and the national average payment rate for free lunches under section 11 of this Act; and

"(C)(i) the total number of supplements served in the State in these institutions by (ii) the national average payment rate for free supplements served in such institutions.

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"(2) For meals served to children in institutions electing to use the reimbursement procedures under subsection (f)(3) of this section each State shall receive assistance in the following manner—

"(A) for meals served to children who are members of families that satisfy the income standards for free school meals under section 9 of this Act each State shall receive an amount equal to the sum of the products obtained by multiplying—

"(i)(I) the number of breakfasts served by (II) the national average payment rate for free breakfasts under section 4 of the Child Nutrition Act of 1966;

"(ii)(I) the numbers of lunches and suppers served by (II) the sum of the national average payment rate for lunches under section 4 of this Act and the national average payment rate for free lunches under section 11 of this Act; and

"(iii)(I) the number of supplements served by (II) the national average payment rate for supplements determined under clause (C) of paragraph (1) of this subsection; and

"(B) for meals served to children who are members of families that satisfy the income standards for reduced-price meals under section 9 of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

"(i)(I) the number of breakfasts served by (II) the national average payment rate for reduced-price breakfasts under section 4 of the Child Nutrition Act of 1966;

"(ii)(I) the number of lunches and suppers served by (II) the sum of the national average payment rate for lunches under section 4 of this Act and the national average payment rate for reduced-price lunches under section 11 of this Act;

"(iii)(I) the number of supplements served by (II) the national average payment rate for supplements determined under clause (C) of paragraph (2) of this subsection; and

"(C) for meals served to all other children in these institutions, each State shall receive an amount equal to the sum of the products obtained by multiplying—

"(i)(I) the number of breakfasts served to such children by (II) the national average payment rate for breakfasts under section 4 of the Child Nutrition Act of 1966;

"(ii)(I) the number of lunches and suppers served to such children by (II) the national average payment rate for lunches under section 4 of this Act;

"(iii)(I) the number of supplements served to such children by (II) the national average payment rate for supplements determined under clause (C) of paragraph (3) of this subsection.

"(3) For meals served in family or group day care homes, each State shall receive amounts sufficient to make payments for such meals under subsection (f)(4) of this section.

"(4) For purposes of this section—

"(A) the national average payment rate for free lunches and suppers, the national average payment rate for reduced-price lunches and suppers, and the national average payment rate for paid lunches and suppers shall be the same as the national average payment rates for free lunches, reduced-price lunches, and paid lunches, respectively, under sections 4 and 11 of this Act as appropriate;

"(B) the national average payment rate for free breakfasts, the national average payment rate for reduced-price breakfasts, and the national average payment rate for paid breakfasts shall be the same as the national average payment rates for free breakfasts, reduced-price breakfasts, and paid breakfasts, respectively, under section 4(b) of the Child Nutrition Act of 1966;

"(C) the national average payment rate for free supplements shall be 30 cents, the national average payment rate for reduced-price supplements shall be one-half the rate for free supplements, and the national average payment rate for paid supplements shall be 2.75 cents; and

"(D) determinations with regard to eligibility for free and reduced-price meals and supplements shall be made in accordance with the income eligibility guidelines for free lunches and reduced-price lunches, respectively, under section 9 of this Act.".

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(c) Section 17(f) of the National School Lunch Act is amended—

(1) by amending subparagraph (2)(A) to read as follows:

"(2)(A) Subject to subparagraph (B), the disbursement to any institution for meals provided under this section shall not be less, for any fiscal year, than the sum of the products obtained by multiplying the total number of each type of meal (breakfast, lunch or supper, or supplement) served in such institution in that fiscal year by the applicable national average payment rates for States for each such type of meal at that category of institution, unless the resulting sum exceeds the cost to the institution of providing such meals.";

(2) by redesignating paragraphs (3) and (4) (and any references thereto) as paragraphs (4) and (5), respectively; and

(3) by inserting before paragraph (4) (as so designated) the following new paragraph (3):

"(3) Institutions, other than family or group day care home sponsoring organizations, may elect to receive reimbursement in accordance with the eligibility of each enrolled child for free, reduced-price, or paid meals under section 9 of this Act. Such reimbursement shall be based on (A) the national average payment rates for lunches under section 4 of this Act; (B) the national average payment rates for free lunches and reduced-price lunches under section 11 of this Act; (C) the national average payment rates for breakfasts, free breakfasts, and reduced-price breakfasts under section 4 of the Child Nutrition Act of 1966; and (D) the national average payment rates for supplements under subsection (c) of this section.".

FOOD SERVICE EQUIPMENT ASSISTANCE

SEC. 15. (a) The National School Lunch Act is amended by inserting after section 4 the following section:

"FOOD SERVICE EQUIPMENT ASSISTANCE

"SEC. 5. Of the sums appropriated for any fiscal year pursuant to the authorization contained in section 3 of this Act, $10,000,000 shall be available to the Secretary for the purpose of providing during such fiscal year food service equipment assistance for the school lunch program under this Act pursuant to the provisions of this section. The Secretary shall only provide assistance under this section to school food authorities described in section 4(b)(2) in which 60 per centum or more of the lunches served in the school lunch program during the second preceding school year were served free or at a reduced price.".

(b) Subsection (d) of section 12 of the National School Lunch Act is amended by adding at the end thereof the following new paragraph:

"(8) 'Food service equipment' means equipment used by schools in storing, preparing, or serving food for schoolchildren.".

USE OF SCHOOL LUNCH FACILITIES FOR ELDERLY PROGRAMS

SEC. 16. Section 12 of the National School Lunch Act is amended by inserting at the end thereof the following new subsection:

"(i) Facilities, equipment, and personnel provided to school food authorities for programs under this Act and under the Child Nutrition Act of 1966 may be used, as determined by the local educational agency, to support nonprofit nutrition programs for the elderly (including programs funded under the Older Americans Act).".

LIMITATION ON CHANGES IN INCOME FOR PROGRAM ELIGIBILITY

SEC. 17. The Secretary may not make any change in the method of calculating income, as in effect on January 1, 1985, used to determine eligibility for free or reduced-price meals, food supplements, or other assistance under the National School Lunch Act or the Child Nutrition Act of 1966, which would result in any reduction in, or denial of, such assistance, except as specifically directed in an enactment of law. The limitation under this section shall take effect on the date of the enactment of this Act and shall be effective through fiscal year 1986.

AUTOMATIC ELIGIBILITY FOR CERTAIN PROGRAMS

SEC. 18. Section 9(b) of the National School Lunch Act is amended by inserting after paragraph (5) the following new paragraph:

"(6) Any child who is a member of a household under the food stamp program or a member of an AFDC assistance unit (under the aid to families with dependent

children program under part A of title IV of the Social Security Act), in a State where the standard of eligibility for such assistance does not exceed 130 per centum of the income poverty guidelines, shall be served a free lunch and breakfast without further application or eligibility determinations. For the purposes of any verification under paragraph (2)(C), proof of receipt of such assistance as is required under the preceding sentence shall be sufficient.".

ELIGIBILITY OF CERTAIN SPONSORS FOR THE SUMMER FOOD PROGRAM

SEC. 19. (a) Section 13(a)(1) of the National School Lunch Act is amended—

(1) in subparagraph (B) by inserting "private nonprofit organizations," after "county governments";

(2) by striking out "and (E)" and inserting in lieu thereof "(F)"; and

(3) by inserting "(E) 'private nonprofit organizations' includes only such organizations (including summer camps) which (i) operate at not more than fifteen sites, or operate at not more than twenty sites pursuant to a waiver under subsection (i)(2), and (ii) use self-preparation facilities to prepare meals or obtain meals from a public facility (such as a school district, public hospital, or State university); and" after subsection (D).

(b) Section 13 of the National School Lunch Act is amended by inserting after subsection (h) the following new subsection:

"(i)(1) Eligible private nonprofit organizations entitled to participate in programs under this section as service providers shall be limited to those that—

"(A) operate in areas where a school food authority or the local, municipal, or county government has not indicated by March 1 of any year that such authority or such unit of local government will operate a program under this section in such year;

"(B) exercise full control and authority over the operation of the food service programs under this section at all sites under their sponsorship;

"(C) provide ongoing year-round activities for children;

"(D) demonstrate adequate management and fiscal capacity to operate programs under this section; and

"(E) meet applicable State and local health, safety, and sanitation standards.

"(2) The Secretary may waive the limitation to fifteen sites under subsection (a)(1)(E) and permit a private nonprofit organization under this section to operate at not more than twenty sites if such organization demonstrates to the satisfaction of the Secretary that an unmet need for such additional sites exists and that such organization has the capability to serve such additional sites.".

APPORTIONMENT OF FUNDS

SEC. 20. Section 17(i) of the Child Nutrition Act of 1966 is amended—

(a) by inserting "(1)" after "(i)"; and

(b) by inserting after paragraph (1) (as so designated) the following new paragraph:

"(2) Notwithstanding any other provision of law, funds appropriated for a full fiscal year under this section shall be apportioned in such manner as shall ensure that not less than 70 per centum of the total funds appropriated for such fiscal year are obligated or expended by July 1 of such fiscal year, except that such requirement shall not apply to any supplemental appropriations enacted after January 1 of such fiscal year or to any funds reallocated pursuant to paragraph (1).".

EXPENDITURE OF FUNDS FOR THE SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 21. (a) Section 17(i) of the Child Nutrition Act of 1966 is amended by inserting after paragraph (2) (as so designated in section 19) the following new paragraph:

"(3) Notwithstanding any other provisions of law, not more than 2.5 per centum of any State's allocation under this section for supplemental foods for any fiscal year may be expended by such State for expenses incurred under this section for supplemental foods during the fiscal year preceding the fiscal year for which the sums were appropriated.".

(b) The amendments made by subsection (a) shall not apply to appropriations made before the date of enactment of this Act.

COSTS FOR NUTRITION SERVICES AND ADMINISTRATION

SEC. 22. (a) Section 17(b) of the Child Nutrition Act of 1966 is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively; and

(3) by inserting after paragraph (3), as so redesignated, the following new paragraph:

"(4) 'Costs for nutrition services and administration' means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program (including centrifuges, measuring boards, spectrophotometers, and scales used for such certification), food delivery, monitoring, nutrition education, outreach, startup costs, and general administration applicable to implementation of the program under this section, such as the cost of staff, warehouse facilities, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices.".

(b) Section 17 of the Act is amended—

(1) by striking out "administrative funds" each place it appears in subsections (f)(1), (h)(2), (h)(3), and (h)(4), and inserting in lieu thereof "funds for nutrition services and administration"; and

(2) by striking out "administrative costs" each place it appears in subsection (h) and inserting in lieu thereof "costs for nutrition services and administration".

IMPROVING STATE AGENCY ADMINISTRATIVE SYSTEMS

SEC. 23. Section 17(g) of the Child Nutrition Act of 1966 is amended in the second sentence by inserting "providing technical assistance to improve State agency administrative systems," after "health benefits,".

COORDINATION WITH AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

SEC. 24. Section 17(f)(1)(K) of the Child Nutrition Act of 1966 is amended by inserting "the aid to families with dependent children program," after "child abuse counseling,".

PAPERWORK REDUCTION

SEC. 25. Section 17(h)(1) of the Child Nutrition Act of 1966 is amended by inserting at the end thereof "The Secretary shall limit any such documentation required under the preceding sentence to a minimal level.".

NATIONAL ADVISORY COUNCIL

SEC. 26. (a) Section 17(k)(1) of the Child Nutrition Act of 1966 is amended by inserting at the end thereof "The Secretary shall fill any vacancy in the Council within ninety days.".

(b) Section 17(k)(3) of the Child Nutrition Act of 1966 is amended—

(1) in the first sentence by inserting immediately before the period "and shall ensure that the Council meets at least once every twelve months"; and

(2) by striking out the second sentence.

STUDY OF A UNIVERSAL SCHOOL LUNCH PROGRAM

SEC. 27. The National School Lunch Act is amended by inserting at the end thereof the following new section:

"STUDY OF A UNIVERSAL SCHOOL LUNCH PROGRAM

"SEC. 24. The Secretary shall conduct a study to consider the feasibility of making the school lunch program a universal program for all children and to consider various methods of operating a self-financing school lunch program for all children, including reserving a separate source of revenue for any such program. The Secretary shall submit a report of such study to the Congress, together with any recommendations or proposals for legislation, by January 1, 1988.".

EXTENSION OF SCHOOL LUNCH PILOT PROJECT STUDY

SEC. 28. (a) Subject to the availability of appropriations, the ongoing school lunch pilot project study of alternative means of providing assistance under the school lunch program by distributing all cash and all letters of credit in lieu of commodities shall be extended through the school year ending June 30, 1986. Such study extension shall include at least sixteen of the school districts currently using the commodity letter of credit approach, at least sixteen of the school districts currently

using the cash in lieu of commodities approach, and shall include the six remaining participating school districts from the original study pursuant to section 20(b) of the National School Lunch Act. The study shall include bonus commodities and shall be all cash in lieu of commodities or all letters of credit in lieu of commodities. Control sites shall remain constant. A full report on such study extension shall be made by the Secretary of Agriculture to the Congress by December 15, 1985.

(b) Upon request of a participating school district (and after consultation with the Comptroller General of the United States with respect to accounting procedures used to determine any losses), the Secretary of Agriculture shall provide cash compensation, subject to the availability of funds, to a school district which was participating in the school lunch pilot project study on or before the date of the enactment of this Act for losses sustained by the district as a result of the alteration of the methodology used to conduct the study during the school year ending June 30, 1983.

(c) For purposes of this section the term "school lunch pilot project study" means the study provided for in the last proviso of the matter under the heading "CHILD NUTRITION PROGRAMS" in title III of the Act entitled "An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1981, and for other purposes", approved December 15, 1980 (94 Stat. 3113).

(d)(1) There are authorized to be appropriated $6,000,000 to carry out subsection (a).

(2) There are authorized to be appropriated such sums as may be necessary to carry out subsection (b).

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 29. (a) The National School Lunch Act is amended—

(1) in section 12(d) by inserting at the end thereof the following new paragraph:

"(8) 'Secretary' means the Secretary of Agriculture."; and

(2) by redesignating the second section 22 as "SEC. 23.".

(b) The Child Nutrition Act of 1966 is amended—

(1) in section 4(a) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services";

(2) in section 17(e)(2) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services";

(3) in section 17(k) (1) and (2) by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services";

(4) in section 19(d) (2) and (3) by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services".

STATE ADMINISTRATIVE EXPENSES STUDY

SEC. 30. Section 7 of the Child Nutrition Act of 1966 is amended by inserting after subsection (i) the following new subsection:

"(j) The Secretary shall conduct a study of the allocation formula and procedures under section 7 of the Child Nutrition Act of 1966. Such study shall provide information on State costs and contributions for administrative expenses, as well as the merits of a State matching requirement. The Secretary shall submit a report of such study to the Congress, together with any recommendations, by January 31, 1986.".

STUDY OF CHILD NUTRITION PROGRAMS

SEC. 31. The Child Nutrition Act of 1966 is amended by inserting at the end thereof the following new section:

"STUDY OF CHILD NUTRITION PROGRAMS

"SEC. 21. The Secretary shall conduct a study of the effect on families of the school breakfast program, the child care food program, and other programs under this Act. Such study shall consider whether alternative nutrition delivery programs would strengthen families. The Secretary shall submit a report of such study to the Congress, together with any recommendations or proposals for legislation, by January 1, 1987.".

LIMITATION ON MEAL CONTRACTING

SEC. 32. Section 9 of the National School Lunch Act is amended by inserting at the end thereof the following new subsection:

"(e) A school or school food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless such company agrees to offer free, reduced-price, and full-price reimbursable meals to all eligible children.".

EFFECTIVE DATES

SEC. 33. (a) Except as otherwise provided, the provisions of this Act shall take effect on the date of the enactment of this Act.

(b) The provisions of sections 5, 8, and 13 shall take effect on the date of the enactment of this Act, except that each school food authority may elect to delay implementation of any such amendments to a date not later than July 1, 1985.

(c) Not later than sixty days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations to implement the amendments made by section 10. The amendments made by section 10 shall take effect upon issuance of such final regulations, except that each school food authority may elect to delay implementation of any such amendment to a date not later than July 1, 1985.

(d) The provisions of sections 4, 6(a), and 9 shall take effect on the first day of the first month following the date of the enactment of this Act.

(e) The provisions of sections 12, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 30, and 31 shall take effect on October 1, 1985.

Chairman HAWKINS. The Committee on Education and Labor is called to order.

Today the subcommittee is conducting a hearing on H.R. 7, which extends five expiring child nutrition programs and which increases their effectiveness by adding back about $370 million in funding. This bill is nearly identical to the one which passed the House last May, but which died in the Senate.

Since last year, a study on the health of Americans has been released by doctors from the Harvard Medical School. This study found that hunger has returned to our people and that cutbacks in Federal feeding programs, including these child nutrition programs, have been the prime cause of this sad fact.

If we are to be a humane society, we must reverse this trend and begin to fund effective feeding programs. The school lunch and child nutrition programs are such programs.

As Ms. Mary Jarratt, Assistant Secretary for Food and Consumer Services of the U.S. Department of Agriculture, said at a hearing before this subcommittee in 1982, "As a supplemental feeding program, the school lunch program is doing a very good job indeed."

Ms. Jarratt then added that "the lunch program provides participants with better nourishment than others and that the program is working well."

We look forward to today's testimony on the provisions of this bill, and I hope that the Congress will address itself to this issue with a great deal of care.

Chairman Leland of the Select Committee on Hunger and I have cosponsored comprehensive legislation addressing hunger. I hope that our colleagues will support that legislation also, which includes the provisions of this bill, H.R. 7.

This morning, the committee is pleased to have as its first witness, Ms. Sonia F. Crow, Associate Administrator of the Food and Nutrition Service, U.S. Department of Agriculture.

Ms. Crow, we are delighted to have you before the committee and we welcome you. We hope you will present your testimony at this

time. Obviously, the full text of the statement will be printed in the record and you may deal with it as you so desire.

STATEMENT OF SONIA F. CROW, ASSOCIATE ADMINISTRATOR, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY STANLEY C. GARNETT, ASSISTANT DEPUTY ADMINISTRATOR FOR SPECIAL NUTRITION PROGRAMS, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Ms. CROW. Thank you, Mr. Chairman, and members of the subcommittee.

We appreciate the opportunity to comment on legislation to reauthorize or modify the child nutrition programs and the Supplemental Food Program for Women, Infants and Children, known as WIC.

Accompanying me today is Mr. Stan Garnett, who serves as Assistant Deputy Administrator for Special Nutrition Programs in the Food and Nutrition Service.

The administration opposes the enactment of H.R. 7. Most of the provisions of H.R. 7 reverse a number of important reforms adopted by Congress as part of the Omnibus Reconciliation Act of 1981. These 1981 reforms were carefully crafted and have been successful in restraining the budgets for the child nutrition programs.

Reversal of these measures is not only unnecessary, but in our view unwise. At a time when Federal spending must be controlled, we cannot support a bill that will use taxpayers' money to provide new entitlement funding for those well above the poverty line, and that will add over $475 million to the deficit in fiscal year 1986 alone, and over $1.9 billion to the deficit between fiscal years 1985 and 1988.

I would like to comment on some of the more costly features of the bill. First, the administration does not support expansion of the income eligibility limits for the reduced price meals from 185 percent to 195 percent of the poverty guidelines. This change will increase Federal aid, we estimate, by about $24 million in fiscal year 1986 alone to children from families that can afford to pay the full price of producing their meals.

The family incomes of the children affected by this proposed expansion would be between $19,700—that is at the 185 percent level—and $20,800, the 195-percent level, for a family of four in fiscal year 1986. As you know, the administration's fiscal year 1986 budget proposes to eliminate cash and entitlement commodity subsidies for the very same income levels above 185 percent that will benefit from this proposed expansion.

Second, the administration does not favor a 15 cent increase in subsidies for reduced price meals, as this will expand benefits to the less needy at an estimated cost of $74 million in fiscal year 1986. All of the children affected by this expansion are from families with incomes well above the poverty line.

Third, we do not support an across-the-board 6-cent increase in the school breakfast reimbursement. This provision will increase Federal costs by an estimated $43 million annually. This proposal may, in fact, be in response to recent study findings about the nu-

tritional value of the school breakfast program. However, it is important to keep in mind that the breakfast program is almost always available in conjunction with the nutritionally superior school lunch program. As a result, the overall nutrient content of the school nutrition program is quite good.

Fourth, the provision for subsidizing three meals and two supplements daily under the Child Care Food Program gives the Federal Government the entire responsibility for feeding a child, breakfast, lunch, dinner and two snacks, thereby abrogating all family involvement and responsibility for preparing meals. It also, of course, increases Federal costs by $38 million in fiscal year 1986.

This provision applies both to the needy and to the nonneedy. In the family day-care home portion of the program, about 65 percent of participants are nonneedy; that is from families with incomes over 185 percent of the poverty guideline.

In our fiscal year 1986 budget, we propose to eliminate Federal assistance to this nonneedy group by reintroducing an income test in day-care homes.

Finally, this legislation will increase the cost of the WIC Program by $127 million in fiscal year 1985 and by $220 million in fiscal year 1986. Over a 4-year period, it allows the WIC Program to increase by 10-percent a year in nominal dollars. This means participation will increase to over 3.3 million participants a month in fiscal year 1985; over 3.4 million in 1986; almost 3.6 million in 1987; and over 3.7 million by fiscal year 1988. In 4 years, participation will have grown by 20 percent.

The WIC Program has already grown rapidly in recent years, more than doubling in cost between fiscal years 1980 and 1984, from $700 million to $1.4 billion.

Monthly participation during this same period has climbed 60 percent from 1.9 million to 3.05 million persons. What this program needs now is to be stabilized and better targeted so that its focus is on pregnant women and infants.

In conclusion, H.R. 7 will reverse changes made in 1981 to target scarce Federal resources to those in greatest need, to improve program administration and to reduce duplication in subsidies. Despite the 1981 reforms, the Federal Government still provides large subsidies to upper- and middle-income families through the child nutrition programs.

For example, in 1986, we will spend approximately $650 million to subsidize meals served to children from families with incomes above 185 percent of the poverty guideline. Also, the Child Care Food Program is growing dramatically in day care homes, yet two-thirds of these day care home subsidies go to families above 185 percent of the poverty guideline.

We believe that our fiscal year 1986 budget proposals to limit Federal subsidies to those below 185 percent of the poverty guideline redirects the child nutrition programs more appropriately.

Mr. Chairman, as you indicated at the start of this hearing, we have provided a more complete text of our comments and we have submitted them for the record. Mr. Garnett and I would be pleased to answer any questions that you or members of the subcommittee may have.

[The prepared statement of Sonia F. Crow follows:]

PREPARED STATEMENT OF SONIA F. CROW, ASSOCIATE ADMINISTRATOR, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman, and Members of the Subcommittee, thank you for the opportunity to comment on legislation to reauthorize or modify the Special Supplemental Food Program for Women, Infants and Children (WIC) as well as certain child nutrition programs.

In FY 1986, students from families with an income of $19,703 for a family of four are eligible for a Federal subsidy of $1.04 per meal, not including the 10 cents per meal average value of bonus commodities which we are now providing. They cannot be charged over 40 cents for that lunch which typically costs about $1.60.

About 24 million children a day participate in the school lunch program. In addition, the Administration's special distribution of surplus commodities and the Food Stamp Program provide extra nutritional assistance to families in need.

It is true that we have restrained the budgets of the child nutrition programs through the judicious changes adopted by Congress in 1981. The changes that were made served to better target scarce Federal resources on those in greatest need, improve program administration and reduce duplication in subsidies. Despite our reforms, the Federal Government still gives large subsidies to upper and middle-income families through the child nutrition programs. For example, this year in the school food programs, we will spend approximately $450 million to subsidize meals served to children from families with an income above 185 percent of the poverty guideline. The Child Care Food Program is growing dramatically in family day care homes. Yet, two-thirds of those homes' meal subsidies—$110 million—go for families with incomes of at least $19,000.

As you know, the President's FY 1986 budget proposals address these costly and unneeded subsidies to better-off families. Before commenting on H.R. 7, let me reiterate the Administration's proposals:

We propose to eliminate the cost of living adjustment for all child nutrition programs in 1986 as part of the government-wide freeze policy for subsidies to institutions. After 1986, the cost-of-living adjustment would be resumed.

Since child nutrition subsidies go directly to institutions, and not to individuals, needy children will not be affected by the COLA freeze and will continue to receive free meals.

Another proposal is to discontinue the cash and entitlement commodity subsidies to schools and institutions for meals served to children from non-needy families in all child nutrition programs. This proposal will allow us to focus program benefits on lower-income children. In the case of the Child Care Food Program, an income eligibility test would be reinstated for family day care homes. At present, about 65 percent of family day care home participants come from families with incomes over 185 percent of poverty, yet they receive a free meal. Our proposal would restore the means test that existed prior to 1980.

We believe the Federal responsibility for nutrition aid should be limited to ensuring access to adequate nutrition for the poor and near-poor, rather than providing meal subsidies to households which can afford to finance their children's lunches.

I want to emphasize, Mr. Chairman, that no child eligible for a free lunch would be affected by our proposal. Students from upper-income households, of course, would still be able to purchase a nutritious lunch meeting Federal standards. Even without the Federal subsidy, the school lunch will be a bargain, costing on the average only slightly more than a dollar. As I indicated earlier, the reduced price charge cannot exceed 40 cents by law.

I shall now turn to H.R. 7.

H.R. 7

The Administration strongly opposes the enactment of H.R. 7. It is inconsistent with the proposals contained in the President's request, and we cannot in any way support it. Most of the provisions of H.R. 7 are aimed at reversing a number of entitlement reforms adopted by Congress as part of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. It would use taxpayers' money to provide new entitlement funding for those well above the poverty line. At a time of unparalleled need to control Federal spending, we cannot justify this bill which would add $484 million to the deficit in 1986 alone.

H.R. 7 provides for:

Increasing by 15 cents the subsidy to institutions for each reduced price lunch and breakfast served;

Increasing the Federal subsidy for breakfasts of all students regardless of income by 6 cents;

Inflating the income guidelines for determining eligibility for reduced price meals by over $1,000 from 185 percent to 195 percent of the poverty guidelines;

Further raising eligibility guidelines by adding medical cost deductions when determining income eligibility;

Expanding the Child Care Food Program (CCFP) to subsidize up to three meals and two supplements each day regardless of family income and permitting institutions to claim the maximum reimbursement for all meals served even though up to one-third of their participants are not needy;

Expanding the Special Milk Program to kindergartens in schools that already participate in the school lunch program;

Reinstating Federal school feeding subsidies to high-tuition private schools;

Reinstating private sponsors for the Summer Food Program that has experienced significant abuses;

Reestablishing new food service equipment assistance program with an authorization of $10 million;

Complicating local administration by varying the eligibility standards for the Food Stamp Program and free meals;

Prohibiting income verification activities unless the Federal Government financed any associated administrative cost and establishing an open-ended authorization for any such costs;

Funding the WIC program at $1.55 billion in 1985, $1.7 billion in 1986, and allowing the program to grow to $2.0 billion by 1988;

Authorizing use of next year's grants to pay this year's WIC costs.

The Administration opposes an across-the-board, 6-cent increase in school breakfast subsidies, including those for non-needy students. This provision would increase costs by an estimated $43 million annually and give schools less than $10 per child annually in added subsidies. The Breakfast Program is almost always available in conjunction with nutritionally superior school lunches. Thus, the present overall school nutrition program nutrient content is quite good.

Increasing the Federal subsidy to institutions for reduced price meals would expand benefits to the less needy at an estimated cost of $74 million. The provision to increase reduced price income eligibility guidelines to 195 percent of poverty—almost $21,000 for a family of four in FY 1986—would also undermine efforts to target resources to low-income participants.

H.R. 7 increases the tuition limitation to $2,500 and indexes it annually for private schools to be eligible for child nutrition programs. The Administration maintains that families who are able to pay private school tuitions over $1,500 per year can afford the $40 annual subsidy—less than a quarter per meal—which would otherwise be provided by the school lunch program.

As the result of 1981 OBRA reform, the Special Milk Program cannot operate in any school which participates in any other child nutrition program. H.R. 7 would exclude kindergartens from this restriction. Since all the child nutrition programs serve milk as part of their meals and since such meals may be made available to kindergarten students, we see no need to permit duplicate milk subsidies for kindergarteners.

The provisions for subsidizing three meals and two supplements daily under the CCFP would give the Federal Government the entire responsibility for feeding a child, abrogating all family involvement in preparing meals, and costing $38 million in 1986. The proposed CCFP reimbursement scheme would roll back another 1981 reform that prevented the over-subsidization of high-income children.

The new authorization for Federal financing of income verification in H.R. 7 is unnecessary. Schools have been conducting successful verification efforts for several years without additional funding. In addition, verification responsibilities have been minimized by the existing practice of verifying only a small sample of applications. Holding verification activities hostage to enactment of such an appropriation is contrary to the efforts made by Congress and the Administration to strengthen the integrity of these programs and reduce waste and abuse.

Allowing the itemized deduction of medical costs in determining eligibility for these programs would increase local administrative costs and complicate certification and verification of applications, since there would be questions of interpretation about the level and type of expenses and the need to provide documentation of medical expenses.

Reinstituting the Food Service Equipment Assistance Program would direct scarce Federal resources to low-priority areas. Most school meal programs are now well-established to no longer need the start-up subsidies formerly provided by this program. A recent USDA study indicates that schools have adequate cafeteria equip-

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ment. Meal reimbursements may be used to underwrite equipment replacement costs, if needed.

Establishing varying eligibility standards for food stamps and free lunches would further complicate local eligibility and verification processes since the present link permits school officials to easily certify and verify eligibility for students from food stamp households, thereby promoting program integrity.

Finally, this legislation will increase the cost of the WIC Program by $127 million in FY 1985 and $220 million in FY 1986. Over a 4-year period, it allows the WIC Program to increase by about 10 percent a year in nominal dollars. This means participation will increase to 3.31 million in 1985, 3.44 million in 1986, 3.59 million in 1987, and 3.73 million by 1988. In 4 years, participation will have grown by 20 percent. The WIC Program has already grown rapidly in recent years, more than doubling in cost between 1980 and 1984, from $700 million to $1.4 billion. Participation during this same period has climbed 60 percent, from 1.9 million to 3.05 million persons. We believe that this program needs to be stabilized and better targeted so that its focus will be on pregnant women and infants.

EXPIRING AUTHORIZATIONS

The Administration supports reauthorization for expired programs through 1989, rather than 1988. Further, the Administration objects to the excessive authorization levels provided by H.R. 7 for the WIC and Nutrition and Education Training Programs and believes the levels contained in the President's FY 1986 budget are appropriate for carrying out these programs.

Thank you for listening to our views. We are strongly opposed to H.R. 7 and hope that the Committee gives serious consideration to the President's request. Our proposals continue to protect needy children to reduce unjustifiable assistance to high-income households. I will be happy to answer your questions.

Chairman HAWKINS. Thank you, Ms. Crow.

Ms. Crow, thoughout your statement, you refer to the needy and the less needy. What distinction do you make—what do you mean by "less needy?"

Ms. CROW. Of course, the concept of needy and less needy is relative, but we have used it by reference to the poverty guideline, which is the standard guideline used throughout Federal entitlement and means-tested programs. When we talk about the non-needy, we are talking about families with incomes above 185 percent of the poverty guideline which is applicable to these child nutrition programs. We are talking about families that make almost $19,000 a year under the current guideline provisions for computing that 185 percent.

Chairman HAWKINS. You would include, then, families with incomes of around $17,000 to $18,000 for a family of four. You would include them as being less needy?

Ms. CROW. Those would constitute people whom we would call less needy relative to those who are at 130 percent of the poverty guideline. That is the percentage that you use for other food programs, so, Mr. Chairman, it is a range, basically, with——

Chairman HAWKINS. Yes, but are you saying they are living comfortably, then, at $17,000 to 18,000, for a family of four, and that, therefore, they may not need any type of nutrition assistance?

Ms. CROW. Not at all, Mr. Chairman. Of course, the amount of money that you have at any given geographical point in the United States might determine how comfortably you live. You can live more comfortably in certain States and certain communities than you can in others, with the same exact amount of money, but of course, someone with $17,000 or $18,000 would still be included in the child nutrition programs that are supported by this administra-

tion because we are pegging the cutoff at above 185 percent of the poverty guideline.

That is for families with incomes——

Chairman HAWKINS. No, but you use the phrase throughout, or you made reference to the fact that there are some who are less needy and therefore do not, in effect, need this program because they are less needy and I just wondered who people you were referring to. My family shops like every other family. There are only two of us in the family and every time we go to the store, we see prices rising. It becomes a little bit more difficult. For the first time in my life, I have begun to think in terms of change. I don't just drop the change in my pocket. I look at it to see whether I have been cheated. That is how careful I have become, and I am quite sure that families with several children find it very, very difficult.

If you begin talking about persons in the $17,000 to $18,000 income range, with two children, and with all of the other cutbacks that they experience—this isn't the only cutback, obviously; other cutbacks have a cumulative effect on them—then it would seem to me that we are talking about a large number of Americans. We classify them as less needy, and say that therefore, they shouldn't be entitled to this program.

Aren't we moving rather rapidly into that direction?

Ms. CROW. Mr. Chairman, I think that all of us who shop experience the same difficulty with prices and careful shopping as you do. In fact, the Federal Government and governments at all levels make a concerted effort to help people understand how to shop better because you can really maximize your buying dollar——

Chairman HAWKINS. But that education is being cut off also.

Ms. CROW. Well, certainly in this fiscal year budget for 1986, the administration continues to support nutrition education programs because we have supported them for a number of years and we think we do need some transition time for States and local governments to take it over. But again, the concept of needy and nonneedy must, of course, be relative and perhaps very subjective, depending upon each individual's point of view, but we have used them specifically in reference to the poverty guideline.

As I said, we are focusing our effort on removing most of the Federal subsidies for families with incomes above 185 percent of the poverty guideline. We think that all Americans, whether they are on these particular programs or are contributing taxpayers of whatever degree, are feeling the economic realities. We think that we have an enormous Federal deficit that has the potential for a very deleterious impact in the coming years and we are trying to look for ways that are fair and that are equitable to all Americans in structuring these programs.

Chairman HAWKINS. We certainly appreciate the idea of fairness. Now, it may seem eminently fair that those much above the 185 percent of the poverty level guidelines should be eliminated, but doesn't this also affect the total program? In other words, the feeding program has a certain overhead. Certainly it has employees; it has equipment, housing space, et cetera, that must be kept up.

Isn't it true that by eliminating these so-called less-needy or even getting into those who are above that classification that we are, in

effect, affecting the entire program? This may mean that the entire feeding program will close down as a result of not being able to achieve the economies that it should and to support the infrastructure of the program.

That has happened in the past. What assurance do we have that this will not happen in the future? Are you saying that the so-called needy, as you referred to them, will be able to survive if the program itself folds up, which is likely in many instances?

Ms. CROW. Mr. Chairman, you are absolutely correct that the Child Nutrition Program, certainly the School Lunch Program, has an infrastructure and overhead, as does any other program or any other business. But I think when you look at the economies and the amounts of money that we are talking about, the picture becomes much brighter when you understand that currently 85 percent of the subsidies that the Federal Government provides to the school lunch program are in the free and the reduced price categories. So our proposals for fiscal year 1986 are targeted only to that 15 percent that is above the 185 percent level of the poverty guideline, and so 85 percent of the subsidies, both in cash and entitlement commodities, will stay intact. I think that is an important thing to keep in mind.

The other assumption that some people are making—I think incorrectly—is that everyone else who is not being subsidized to that level will leave the program, namely people in the paid category. We don't think that that is necessarily true because of the fact that the school lunch meal that is provided currently is an extraordinary bargain because it is so heavily subsidized for people that are in the so-called paid category. They are not really paying the full price.

We anticipate that the level of commodity and cash subsidy reduction that we are proposing to eliminate for the paid category is only on the order of only about 24 cents per meal. If you add that on, that increases the average cost of school lunch to only a little over a dollar, approximately $1.07. That is still, by any standard in the commercial market, the fast-food market, a terrific bargain for the parents of the children who can afford to pay. I think that you will find that these children and their parents will still find the school lunch the most attractive and nutritionally sound bargain——

Chairman HAWKINS. That has not been the experience. The experience has been that when you increase the price, there is a drop-off. That has always been the fact. Now, I don't know how you touch that fact with a vision that somehow you increase the price and you are not going to have a decrease in those participating in the program. It just doesn't happen that way.

I don't think you have any evidence that by increasing the price, certain economies are going to take place someplace out there and that, therefore, you will serve the same number of children.

Are you saying that that will not happen?

Ms. CROW. Mr. Chairman, of course, I don't have a crystal ball, but I think history is probably as good a test and as good an indicator as anything else. When Congress passed the provisions under the Omnibus Reconciliation Act in 1981 that modified some of the subsidy levels, there was an initial drop in participation in the

school lunch program, but over time, much of that participation level has, in fact, returned, and this is in light of declining enrollments in schools. So I think that over time you see people coming back to the program. You see people coming back to the program because it is such a good bargain at the prices that the school and the school food authorities are able to provide.

Chairman HAWKINS. They are coming back to the program because we have many more people in poverty today who need the program, and so if you have an increase in poverty from 1980 to 1984 from 29 million persons to 35 million persons, obviously you have a lot more people who really depend on this program because they are poor. That is a fact.

It isn't that they came back because it was a great bargain to them. They came back as a matter of survival. It was the only place they could get a meal. So you have a lot more participating today because we have at least 6 million more people in poverty than we had in 1980. So you are not considering all of the variables.

Ms. CROW. Mr. Chairman, historically, our data would indicate that many children in the paid category return to the program as well and I cannot underscore enough the fact that we are in no way planning on affecting the free or reduced price categories for school children. Those who are in poverty and certainly meet the standard test of poverty as defined by the Federal Government and used in all of our programs would not be affected by these changes. They would still be served and they would still have a school lunch provided to them.

Chairman HAWKINS. Aren't you, in effect, reducing the program by a freeze, which is, in effect, a cut because you are not considering inflation; you are not considering the fact that everything is going to cost more in the next fiscal year? Obviously that is not a freeze; it is a reduction. It must be made up some place.

Do you anticipate that inflation is going to be frozen?

Ms. CROW. We wish we could wave a magic wand and freeze inflation. It doesn't seem to happen, but over the past 4 years, we have made enormous strides in reducing the rate of inflation. Food inflation, in particular, has been remarkably low over the past 4 years and continues to be at an extremely low rate. People spent less for food in this country over the past few years than they have for a long, long time, and so we are hopeful that that trend will continue, and as long as we make great efforts to reduce the Federal deficit, we think that inflation rates will indeed stay low.

Chairman HAWKINS. Thank you, let me yield to Mr. Goodling.

Mr. GOODLING. Thank you, Mr. Chairman.

One area that the administration and I don't agree on in child nutrition—I haven't been able to get my message across to the OMB Director or the White House—deals with what you were talking about in the last few minutes.

I don't believe we have a subsidy to paying customers. In my estimation, we have a subsidy to a school lunch program because it is the cheapest way I know to feed free and reduced price youngsters. If we pull that subsidy from the paying customers, then I don't know how we can keep the promise that we make all the time that we will make sure that the needy will receive—because it is impos-

sible to do. I have been in the school business 23 years. If you have 30 free and 20 reduced in this building, 20 in another building, and 10 some other place and you don't have a National School Lunch Program which mandates, as a matter of fact, that they must feed the free and reduced, how do you do it any more cheaply—if that is the right terminology—than we are presently doing?

I don't know of a plan to do that and that is where I think the administration is wrong. That is where I think colleagues on both sides of the aisle are wrong because they are quick to say that, as a matter of fact, we cannot justify paying for paying customers. I don't look at it as subsidizing paying customers.

In my area, for instance, after the big cut in 1981, one school district dropped its National School Lunch Program. No big deal, a very affluent area and, of course, the children all ate. They could buy anything they wanted to buy. But about 30 miles from there, there were 3,000 youngsters and I don't know what they are eating at the present time because the National School Lunch Program was dropped and, therefore, they are not mandated because in my State there is no State law. I think there are only about two or three States that actually mandate taking care of free and reduced-price eligible younsters whether you belong to the National School Lunch Program or not.

So this is the one difference we have, and I realize what David Stockman says, you cannot justify paying for paying customers. I don't justify that. I say what I am doing is subsidizing the school lunch program so that free and reduced price youngsters, as a matter of fact, can eat. Otherwise, I have a very, very expensive program where, as a Federal Government, I am coming in and trying to take care of, as I said, 30 in one building, 50 in another building, 20 in another building, and I don't know how you do that less expensively than we are presently doing.

That is a commentary; that is really not a question.

On the other hand, I realize that if we had a lot of money, the places I would pour it would be into nutrition and education programs. I would really go all out to see if I couldn't find some way to get those WIC participants to stop smoking and stop drinking and stop using drugs. I would try to do everything I could to talk about obesity and see if I couldn't do something about that, and I would do everything I could to see if I couldn't get youngsters to stop having Coke—both ways—for breakfast and candy, and so forth.

The problem we are faced with is we don't have a lot of money and I realize that there are some cuts—even in my favorite programs, there are some freezes—that are going to have to be made because the alternative is that our economy will collapse and then we will be like every great civilization that went before us. All of them fell from within; none of them fell from without. That will happen here.

So I realize that even my pet programs, and these are my pet programs you are talking about, for the next couple of years are going to have to take some kind of freeze and some kind of cuts in order to prevent a total collapse of our economy and then an inability to do anything about anybody who is in need because our economy has collapsed.

The only questions I have are two that Congresswoman Roukema submitted and she asked if we would ask all those who are testifying today these two questions: What would be your position on attaching a condition to State participation in the WIC program that they refrain from charging State or local sales taxes on purchases with WIC vouchers?

Second, in addition, we would appreciate any information you could provide regarding current State and local practices in this area.

So I guess her first question would be: What would be your position on attaching a condition to State participation in the WIC program that they refrain from charging State or local sales taxes on purchases with WIC vouchers, which would, of course, make the dollar go much further?

Ms. CROW. We are basically in favor of that type of approach. I think there are probably several other options that we might be able to explore along those lines, but as a basic proposition, we would be in favor of it.

Mr. GOODLING. I guess in the second question, she is looking for you to send any information that you might have concerning current State and local practices in this area of charging sales taxes on WIC vouchers.

Ms. CROW. We understand that approximately 15 States currently have that practice.

Mr. GOODLING. Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Hayes.

Mr. HAYES. No questions, Mr. Chairman.

Chairman HAWKINS. Thank you.

Mr. Gunderson.

May the Chair—those of you who came in after we began, Ms. Crow has indicated that she must leave at 10:15. We may be able to stretch it some, but I would ask the members to try to keep that in mind and keep the questions to the most important ones and as few as possible, if we can do that. Otherwise, my commitment to Ms. Crow will be violated, I suspect.

Mr. GUNDERSON. Thank you, Mr. Chairman.

Recognizing and respecting your time constraints, let me ask one question in particular which, would focus on H.R. 7's provisions for a new food service equipment assistance program. Has the Department done any studies as to exactly what the needs are which exist today in terms of food service equipment in our local schools, and does the Department read that as a national responsibility, State responsibility, local, or what?

Ms. CROW. We have certainly looked at that issue. It is our feeling now that schools basically, because of the school lunch program, have been able to staff up their kitchens and they are now basically in pretty good shape as far as the kitchen equipment is concerned.

Since the vast proportion of the subsidies currently provided by the Federal Government are in the free and reduced categories, as I said earlier, about 85 percent, those subsidy levels are still available to schools to update or modernize or make whatever modifications they need within their kitchen equipment, but basically the

infrastructure for about all of the schools is currently in place and is in good shape.

Mr. GUNDERSON. Is that calculated at all in your "subsidies of a meal"? I mean, when we look at the 24-cent subsidy, when you have calculated out and arrived at 24 cents, did you assume that part of the formula included such things as equipment?

Ms. CROW. It is an allowable cost in terms of the use of the subsidy.

Mr. GUNDERSON. OK. Have you done any studies as to what you project would be the number of schools which would lose or quit, discontinue the school lunch program based on your budget recommendations?

Ms. CROW. We have not done a study of that. As I said earlier, because of the economies of the situation where 85 percent of the subsidy would stay in place and we are talking about only 15 percent of the subsidy, we don't foresee that there would be a major departure from the program.

Let me give you an example. If a school had 80 percent of students in the paid category—not the free or reduced, but in the paid category—and that subsidy, of course, was eliminated as far as cash and entitlement commodities are concerned, in terms of the amount of money that the Federal Government would still be providing, that school would still get 65 percent of what it would have received in the past.

So you are talking about a very large monetary inducement because there is such an enormous rate differential between the free and the reduced subsidies and the paid subsidies.

In addition, we are not proposing to eliminate the bonus commodity subsidies to the paid category, and currently that is worth about 10 cents a meal.

Mr. GUNDERSON. Thank you, Mr. Chairman. Thank you.

Chairman HAWKINS. Thank you.

Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman. I won't keep the witness long.

Immanuel Kant wrote two books, "The Critique of Pure Reason," which didn't answer questions all that well. Then he wrote his "Critique of Practical Reason." I think that when we look at the subsidy for the paying student, we have to look at our "Critique of Practical Reason."

Practically, you know it and I know it, that if we cut that out, we are going to be losing programs serving all groups of people. That has happened every time we have done that. It happens in Flint, MI; it happens around the State of Michigan. I think we have to be practical. You might be able to argue, although I wouldn't accept the argument on the pure reason that we shouldn't be subsidizing those paying students. Afortiori in the "Critique of Practical Reason," we know we are going to hurt the program for all those who are served.

I would hope that the Department would, you know, look at the practical arguments involved in this.

Also, I hold in this envelop $21,528 worth of parts; $21,528 worth of parts. I could buy them for 31 cents at Hechinger's. The Pentagon paid $21,528. Now, if the Department of Defense ran as effi-

ciently as the school lunch program, we could save billions of dollars: yet the administration says, cut school lunch program and increase defense spending. It doesn't make sense to me. I really don't understand what is going on in the Government. I would say this to you as I have said this to other people. We need people who are in charge of these programs, involved in these programs, to be as great an advocate for their programs as Cap Weinberger is for his. He has these things happen and he still gets his budget increased.

Your program is tremendously efficient compared to the Department of Defense. I would hope that within the confines, within the Government, you would be over there arguing for a very, very good program, a very efficient program, rather than succumbing to Dave Stockman's wishes to cut that which is very, very good.

So, just be a great advocate for your program. You are very efficient; you run a good program. Compared to the Department of Defense, you are a marvel of efficiency.

Thank you, Mr. Chairman.

Chairman HAWKINS. Thank you.

That concludes with this witness. Ms. Crow, we thank you for your appearance before the committee and while we don't agree with your findings, nor your philosophy, we certainly appreciate the message that you have given us. Thank you.

Ms. CROW. Thank you, Mr. Chairman, it has been a pleasure to be with you and thank you for your personal courtesy in this matter.

Chairman HAWKINS. Thank you.

The next panel will consist of Ms. Faith Gravenmier, school food service director, West Virginia, representing the American School Food Service Association; Mr. Michael Lemov, executive director, Food Research and Action Center; and Ms. Cathy Litteer, Texas State WIC Director, representing the Association of State WIC Directors.

Will those witnesses please be seated.

In the meantime, without objection, the Chair would like to place in the record, following Ms. Crow's testimony, a report from the Center on Budget and Policy Priorities in reference to earlier testimony given before this committee that only 600,000 children left the school lunch program, instead of the 3 million as more commonly asserted. This was a reference to a statement made earlier this year from the Department that this smaller number of children were affected and we have not been able to identify how the Department came up with that figure.

We asserted then, and it was challenged, that it should have been 3 million and this study, I think, agrees that the factual material presented earlier to this committee was wrong or misleading or incomplete.

Without objection, that study will be put in the record following Ms. Crow's testimony.

[The study from the Center on Budget and Policy Priorities follows:]

APRIL 2, 1985.

The Department testified in February before our Committee and made the same assertion as you have today—that only 600,000 children have left the school lunch program, instead of 3 million as more commonly asserted.

Since that testimony on February 28, we have asked both the Congressional Research Service and the Center on Budget and Policy Priorities to review the Department's testimony. Neither CRS nor the Center have been able to verify your assertion, even using the Department's own data.

CENTER ON BUDGET AND POLICY PRIORITIES,
Washington, DC, April 1, 1985.

Hon. AUGUSTUS HAWKINS,
Chairman, House Committee on Education and Labor,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to testimony presented before your Committee on February 28 by USDA Assistant Secretary Mary Jarratt. The testimony presents statistics designed to show that federal budget cuts have had only a modest impact on school lunch participation. Unfortunately, a number of the statistics presented in the testimony are inaccurate or are improperly used.

I am enclosing an analysis on this matter, which is based on USDA data and reports of the Congressional Research Service. The analysis shows that school lunch participation has declined by 2 million children due to the 1981 budget cuts (rather than the 600,000 decline claimed by Ms. Jarratt), and that 700,000 of the 2 million decline came in the free and reduced-price categories. The 2 million decline is the participation drop after declining school enrollment is fully taken into account.

I hope this is of use to the Committee. If there is further analysis we can do that would be helpful, please let us know.

You may also wish to ask the Congressional Research Service to review this matter.

Sincerely,

ROBERT GREENSTEIN,
Director.

Enclosure.

THE IMPACT OF BUDGET CUTS ON SCHOOL LUNCH PARTICIPATION: AN ANALYSIS OF THE DATA

In her February 28 testimony before the House Committee on Education and Labor, USDA Assistant Secretary Mary Jarratt made two basic points about school lunch participation and the 1981 budget cuts: (1) that the "predictions of catastrophe" made in 1981 did not materialize, and (2) that the budget cuts caused a participation drop of just 600,000, with most of the decline coming in non-poor areas. Neither contention stands up under careful scrutiny.

1. "PREDICTIONS OF CATASTROPHE"

Over the past month, a number of school lunch administrators across the country have voiced concerns that the proposed elimination of federal support for paid meals would cause large participation declines and induce numerous schools to drop out of the program. In response to these comments, Assistant Secretary Jarratt testified:

"We are not impressed with such predictions of catastrophe. These claims were made in 1981 but did not materialize."

The Assistant Secretary then proceeded to quote from testimony presented by the American School Food Service Association and the Food Research and Action Center at a March 10, 1981 hearing held by the Committee. The testimony she quoted warned of thousands of schools closing their programs and millions of children no longer receiving lunches. The history of the past few years shows this didn't materialize, Ms. Jarratt said. This, she argued, showed that dire predictions concerning the Administration's new school lunch proposals should be ignored as well.

This sounds straightforward enough—but it is not. For the March 1981 ASFSA and FRAC testimony Jarratt cited did not concern the provisions that were enacted many months later in the summer of 1981. To the contrary, this testimony concerned the Administration proposals that were rejected in 1981—proposals to completely eliminate all federal support for paid meals. There should be no surprise that the predictions of ASFSA, FRAC, and others did not fully materialize—since the provisions in question were never enacted.

Moreover, as will be shown below, the declines in participation resulting from the 1981 budget cuts were far larger than the Assistant Secretary's testimony acknowledges.

The Assistant Secretary contended that the budget cuts caused a participation drop of only 600,000 children and that most of the drop occurred in non-poor areas. She cited the following figures in support of this claim:

She said that school lunch participation averaged 25.8 million in FY 1981 and is expected to average 24.0 million in FY 1985, for a decline of 1.8 million.

She also stated that 1.1 million of this 1.8 million decrease is due to declining school enrollments and that 50,000–100,000 of the decrease is due to the exclusion of private schools with tuitions over $1,500. According to her testimony, this leaves a participation decline of just 600,000.

These statistics are not accurate, however. First, while lunch participation was 25.8 million in FY 1981, there is no strong basis for the estimate that it will average 24.0 million in FY 1985. In FY 1984, the actual participation figure was just 23.4 million. In FY 1983, it was 23.2 million.

The 24 million figure Ms. Jarratt is using for FY 1985 is simply an Administration "guesstimate." Actual data showing participation in FY 1985 will not be available until next fall.[1] While this "guesstimate" may be useful to the Administration from a political standpoint, it cannot be utilized in a hard, objective analysis of changes in school lunch participation. Only actual data—data that is tainted neither by guesstimates nor political considerations—can legitimately be used.

The latest fiscal year for which actual data is available and complete is FY 1984. It shows participation at 23.4 million. So the decline from FY 1981 to FY 1984, as shown by USDA's own data, is 2.4 million. The next step is to ascertain how much of this 2.4 million decline is due to declining school enrollments and how much is due to budget cuts.

Declining enrollments

In her testimony, Jarratt says that enrollments fell 4.4% from September 1980 (just before the start of the 1981 fiscal year) to September 1982 (just before the 1982 fiscal year). Hence a 4.4% school lunch decline would be expected just because of declining enrollments, and even in the absence of budget cuts. A 4.4% decline in enrollment translates into a 1.1 million school lunch drop, she says. This 1.1 million lunch decline had no relationship to the budget reductions, her testimony says.

This is one of Assistant Secretary Jarratt's most serious errors. An analysis issued in February 1985 by the Congressional Research Service shows that U.S. school enrollment declined 1.5% since 1981, not 4.4% (the CRS analysis is attached at the end of this paper).

It is unclear how Jarratt came up with the 4.4% figure. What she may have done is to confuse the decline in overall U.S. school enrollment, which was much less than 4.4%, with the decline in enrollment in those schools participating in school lunch program, which was quite close to 4.4%. This distinction is crucial. If the budget cuts led schools to drop out of the school lunch program, as some number of schools did after 1981, then enrollment in school lunch program schools would indeed drop. Such a decline in enrollmentwould itself be a direct result of the budget cuts. To look at declining enrollments in school lunch program schools and claim that this has nothing to do with the budget cuts would be entirely invalid.

What needs to be done instead is to look at the decline in enrollment in U.S. schools in general, rather than just in lunch program schools. If a school either closes or loses students, this decline will show up in the overall school enrollment figures. But if a school drops out of the lunch program, due to the budget cuts, this will not show up as a decline in overall school enrollment. Thus, this is the correct figure to use.

What happens when this is done properly? As noted, the CRS analysis shows that U.S. school enrollment has declined 1.5%, since 1981.[2] This means that a drop of

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[1] While preliminary data for the first four months of FY 1985 are available now, these data cannot be used. Participation for the four-month period from October–January is always higher than average participation for the fiscal year as a whole. This has been true every year since FY 1980. Participation figures from these months consequently cannot be used as an indicator for FY 1985 participation as a whole. (Moreover, it is interesting that the preliminary data for October 1984–January 1985 show that average participation for these four months was below 24 million. Since October–January participation is always higher than participation for the fiscal year as a whole, this is a good indication that the 24 million guesstimate cited by Jarratt is too high.)

[2] The CRS data covers school enrollments through FY 1983. Enrollment data for FY 1984 is not yet available, but is not likely to affect this analysis appreciably. This is because school enrollments appear to have stopped declining after FY 1982. Enrollments declined just one-tenth of one percent from FY 1982 to FY 1983, and FNS' own budget documents state that enrollment is now increasing again.

only 1.5% in school lunch participation since FY 1981 can be attributed to decreasing enrollments. The rest of the participation drop is due to budget cuts.

The 1.5% enrollment decline translates into a 387,000 participation drop (1.5% × the FY 1981 school lunch participation of 25.8 million equals 387,000). Hence, approximately 400,000 of the 2.4 million participation decline is attributable to falling enrollments. The remaining 2 million decline is from the budget cuts.

Who are these 2 million children?

The Assistant Secretary's testimony states that 50,000–100,000 were students in private schools that charged $1,500 or more in tuition. This leaves 1.9–1.95 million children to be accounted for.

Although Jarratt contended that few of these children were from the lower income categories, USDA's own data decisively refute her on this point. The Department's data show that 12.5 million children received free or reduced-price meals in FY 1981, while 11.8 million received these meals in FY 1984. This is a decline of 700,000 in the free and reduced-price categories.

This decline of 700,000 in the low income categories is entirely due to budget cuts. Declines in school enrollment are not a factor in the free and reduced-price categories, because the sharp increases in the number of children in poverty in these years more than offset the effect of declining enrollments. Both Census and GAO data show that the number of low income children in school went up, not down, during this period. Census data show that the number of school-age children (age 6–17) below 175% of the poverty line went up 400,000 from 1981 to 1983. The GAO's report on school lunch participation published in April 1984 showed that the number of families with school-age children who had incomes below 185% of the poverty line rose 300,000 from 1981 to 1982. (1982 is the last year GAO had data for; the overall poverty population has increased further since then).

Consequently, none of the drop in free and reduced-price meals can be attributed to a decline in enrollment of low income children, since no such decline in enrollment occurred. The full 700,000 decline in free and reduced-price meals must be attributed to the budget cuts. This indicates that the low income impacts of the cuts were substantial.

Are free meals now on the rise?

The Jarratt testimony not only fails to acknowledge the substantial decline in free and reduced-price meals resulting from the 1981 budget cuts, but it also contains the inaccurate statement that "more poor children are expected to receive free meals in 1985 than in 1981." In 1981, 10.6 million children received free meals in an average month. For Jarratt's statement to be correct, free meal participation in 1985 will have to surpass 10.6 million.

USDA data for the first four months of 1985 show that participation averaged just 10.1 million during these months. Moreover, the first four months of the fiscal year are peak participation months—average free meal participation for the fiscal year as a whole has been below participation for the first four months for every one of the past five years. As a result, free meal participation for 1985 as a whole is likely to end up below 10 million, or more than 600,000 below 1981 levels.[3]

Why then does Jarratt claim that free meal participation in 1985 will exceed 1981 levels? Apparently because her testimony is designed to conform not with FNS's own participation data, but rather with the Administration's budget. The budget predicts, in what may be a politically motivated estimate, that free meal participation will jump to 10.8 million this year. But USDA's own participation data for the first four months of the year conclusively demonstrate that the participation estimates printed in the budget are off-base and should be discarded.

Conclusion

USDA data show that lunch participation dropped 2.4 million from FY 1981 to FY 1984. 400,000 of this drop is due to declining enrollment. Two million is due to the budget cuts.

700,000 of the 2 million drop came in the free and reduced-price categories. The remaining 1.3 million came in the paid category. Between 50,000 and 100,000 of the drop occurred in private schools over the $1,500 tuition limit. Presumably, most of these 50,000–100,000 children were in the paid category.

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[3] Free lunch participation in January 1985 was just 9.98 million, the lowest participation level for any January since 1979. Yet the number of school-age children in poverty is considerably higher today than it was in 1979.

One additional point that should be made concerns the oft-cited figure of a 3 million decline in school lunch participation, a figure that Ms. Jarratt challenged. USDA data show that there has indeed been an overall drop of slightly more than 3 million—but this is since FY 1980 rather than since FY 1981. Lunch participation fell from 26.6 million in FY 1980 to 23.4 million in FY 1984, a decline of 3.2 million. 800,000 of this decline came from FY 1980 to FY 1981, while the other 2.4 million occurred since FY 1981. To be sure, the participation decline between FY 1980 and FY 1981 cannot be attributed to the budget cuts that were enacted in 1981—but that does not mean that it cannot be attributed to budget cuts at all. Reductions in the school lunch program were also enacted in 1980. Since there was no enrollment decline between FY 1980 and FY 1981, most or all of this 800,000 decline appears to be due to the 1980 budget cuts. This means that from FY 1980 to FY 1981, budget cuts were responsible for a total participation drop of approximately 2.8 million—which is quite close to the 3 million figure often cited (the 800,000 decline from FY 1980 to FY 1981 plus the 2 million decline from FY 1981 to FY 1984).

Finally, it should be noted that participation has declined in the school breakfast program as well. USDA data shows a decline of 380,000 children from FY 1981 to FY 1984. Over 60% of the decline in the breakfast program came in the free and reduced-price categories. There were 230,000 fewer children receiving free and reduced-price breakfasts in FY 1984 than in FY 1981.

Chairman HAWKINS. We look forward, then, to this panel.

Ms. Gravenmier, I think you are the first witness listed.

STATEMENT OF FAITH GRAVENMIER, SCHOOL FOOD SERVICE DIRECTOR, WEST VIRGINIA, REPRESENTING THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION; MICHAEL LEMOV, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER; AND CATHY LITTEER, TEXAS STATE WIC DIRECTOR, REPRESENTING THE ASSOCIATION OF STATE WIC DIRECTORS

Ms. GRAVENMIER. Thank you, Mr. Chairman, and members of the committee.

I appreciate the opportunity to testify this morning and please allow me to further introduce myself. My name is Faith Gravenmier. I am director of Child Nutrition Programs for the West Virginia Department of Education and a member of the American School Food Service Association.

When Mrs. Gene White, chairman of the Legislative and Public Policy Committee of ASFSA, testified in February before this committee, she commended this committee for introducing H.R. 7 during this session of Congress, particularly in the face of the child nutrition budget reductions which are being proposed by the administration.

As an association member, I consider H.R. 7 also as an important statement of continuing nutritional need of children, and there are two very important provisions of H.R. 7 which I would like to address today.

First of all, section 6 of the bill provides additional reimbursement to schools for the purpose of upgrading the nutritional quality of the School Breakfast Program. This proposal, as was noted earlier, implements the recommendations which were set forth under USDA National Evaluation of the School Nutrition Programs. This study identified certain nutritional weaknesses in the USDA meal pattern for school breakfasts.

As I recall, it found that if a child ate breakfast at home; if the breakfast was available, and the child had time to eat it, and the mother was there to prepare it, and not getting ready to go to work or already left for work, then the chances were that the meal that

the child ate at home might be slightly higher in nutritional value than that eaten at school.

However, in many schools, the availability of the Breakfast Program has meant that fewer children would skip breakfast altogether, and so it is of great nutritional importance in those particular schools, as I will discuss a little later in this testimony.

The provision of an additional 6 cents would help many schools in their efforts to meet the nutritional needs of their students. As I said before, in States such as West Virginia, where the unemployment rate remains the highest in the Nation and where 80 percent of the students come long distances by bus, the School Breakfast Program, regardless of the amount of nutritional value, is an important part of the child's school day because it allows more children to have a breakfast and be able to participate better in their school activities in the morning.

The second section of the bill is section 4, and that is a provision which would enable schools to lower the price of the reduced price school lunch to 25 cents. The association has consistently provided testimony which questions the necessity and, indeed, the fairness of the 1980 and 1981 budget cuts, which resulted in an increase of 300 percent in the price of a so-called reduced price lunch.

In my own State, for example, the price of a reduced price lunch has risen from 10 cents in 1979 to 40 cents in 1982, and kids today in West Virginia are still paying 40 cents for a reduced price lunch.

Very simply, Mr. Chairman, the budget cuts of 1980 and 1981 continue to impact, continue to impact upon overall participation in the school nutrition programs.

In West Virginia, nearly half of our private schools have closed down their School Lunch Programs and they do not participate in the School Breakfast Programs. The programs do continue to operate in all of our public schools, very simply because we are a county-unit system. We have only county units in the State of West Virginia, 55 of them, and there is some limited subsidy for labor, for example, for the meals.

They continue to operate, but they continue to have reduced participation. Now, we have lost enrollment—I think West Virginia is noted for losing enrollment because families move away to try to find jobs, better paying jobs. Our enrollment has decreased by 3 percent. Even taking that into consideration, we do have reduced participation in both the School Lunch and the Breakfast Program.

There are many large families who simply cannot afford the school lunch or the school breakfast. They cannot stretch their decreased paychecks to meet the rising prices in the school dining room.

We in the association feel that an improvement in the nutritional quality of the school meal pattern, particularly in the school breakfast pattern, might help to increase participation of the paying child. For example, in the fall of 1981, our State, West Virginia, implemented a statewide mandate which required that a Breakfast Program be available in every public school in the State.

We do have a breakfast program in every public school except for four who have applied for a waiver from the State superintendent of schools. We started a school breakfast program in 500 additional schools when that waiver went into effect in 1981–82, and, as

a result, our overall participation increased by 58 percent. However, that increase has primarily been in school breakfast programs which are served free to eligible students who had not before had the breakfast program available to them. It was not an increase, particularly, in purchased meals. The volume of purchased meals, purchased breakfasts, served in October 1984 is only 13 percent greater than those that were served in October 1979. That was before the budget cuts.

Please consider, however, that the price of the school breakfast is now 40 cents to the paying child, as compared to 20 cents in 1979. It appears that students and parents are having to do some comparison shopping and they may well feel that the nutritionally superior school lunch is a better buy. An additional 6 cents per meal would enable schools to offer more variety than the minimum offering of juice, a bottle of milk, and a small bowl of cereal.

That was the breakfast that was available this morning to my grandchild in one of our more affluent areas of Charleston, WV, and even then, the school was losing money on selling him a breakfast of that nature.

Since 1979, participation of paying children in the school lunch program has progressively declined due to an increased price for both the fully paid and the reduced price school lunch. In October 1984, schools documented a 23 percent decline in fully paid lunches and a 31 percent decline—almost one-third—in reduced price lunch sales over that same period in 1979.

Many of those children who are no longer our regular customers are from families where the mother is the primary wage earner. Her husband is either not working or he is working part time or picking up odd jobs, and her salary is probably $5 to $6 an hour or less. In such families, 40 cents to a dollar apiece for three or four school children is not the easiest thing to dig out of your pocketbook every morning that they go to school.

Mr. Chairman, these nutritional dropouts continue as a direct result of the 1981 budget went funding for child nutrition was reduced by one-third. When compared to the $1½ billion cut from these programs in 1981, the restoration of some 200 million, as is proposed in H.R. 7, seems very modest. It is hard to believe that anyone would describe H.R. 7 as unraveling the budget cuts of 1981.

It is regrettable that our first concern at both the State and the national level must center today, not around H.R. 7 and its fine tuning of the current programs, but on the administration's proposed budget cuts for 1985 and 1986, which, if enacted, would reduce Federal support for the nutrition of schoolchildren by another $686 million.

As Mrs. White indicated in her testimony in February, such additional cuts would have serious consequences. First, on a per-meal basis, the proposed 24-cent cut in support for paid lunches is double that that occurred in 1981. The further substitution of commodities for 12 cents in cash subsidies for free and reduced price meals would cause serious cash-flow problems and other problems of distribution and storage in States like West Virginia, where government-donated foods, including bonus commodities and surplus com-

modities and butter and cheese and dry milk, already are utilized to the greatest extent possible in our programs.

If such cuts were enacted, many families in West Virginia again could not afford another 30-cent increase in meal prices. Their children will, as a result, cease to participate in the school nutrition programs. This time, the net result may well be a discontinuation of the Federal program in those public schools and in those small counties where 80 percent or more of the students' meals would no longer be subsidized, and that is based on USDA's own research which states that an increase of 1 cent in meal prices will have a resultant decrease in school meal participation of .8 percent to 1 percent participation. That is our own research that has proved true over the years and it did work out that way with the cuts explained to you earlier today.

There are, in West Virginia, at least 123 schools currently with an enrollment of nearly 65,000 students which serve no more than 20 percent free or reduced price meals. That includes my grandson's school, where there are about 3- to 4 percent free or reduced price meals. If these programs are discontinued, there are 9,000 needy youngsters who will be at risk in receiving nutritional benefits at all. There will be no program there to serve them.

Mr. Chairman, the association's membership share in your frustrations which you and your committee are experiencing as we discuss H.R. 7 today, and we again commend you for introducing this important statement of nutritional need.

Thank you.

[The prepared statement of Faith Gravenmier follows:]

PREPARED STATEMENT OF FAITH GRAVENMIER, WEST VIRGINIA DEPARTMENT OF EDUCATION

Mr. Chairman and members of the Committee, I appreciate the opportunity to testify this morning. Please allow me to introduce myself. My name is Faith Gravenmier. I am Director of the Child Nutrition Division of the West Virginia Department of Education and a member of the American School Food Service Association.

When Mrs. Gene White, Chairman of the Legislative and Public Policy Committee, testified for the American School Food Service Association in February 26, she commended this committee for introducing H.R. 7 during this session of Congress, particularly in the face of the child nutrition budget reductions which are being proposed by the Administration. As an Association member, I consider H.R. 7 an important statement of continuing nutritional need and there are two important provisions in the bill which I would like to address today.

First, Section 6 of the Bill provides additional reimbursement to schools for the purpose of up-grading the nutritional quality of the School Breakfast Program. This proposal implements the recommendations set forth in the USDA National Evaluation of School Nutrition Programs which identified certain nutritional weaknesses in the USDA meal pattern for school breakfasts. The provision would help many schools in their efforts to meet the nutritional needs of students. In states such as West Virginia, where the unemployment rate remains the highest in the Nation and where 80 percent of the students travel long distances by school bus, the school breakfast is an important part of the child's school day.

Second, under Section 4 of the Bill, there is a provision which would enable schools to lower the price of the reduced price school lunch to 25 cents. This Association has consistently provided testimony which questions the necessity, and indeed the fairness, of the 1980 and 1981 budget cuts which resulted in an increase of 300 percent in the price of the so-called "reduced price" school lunch. In my own state, for example, this price rose from 10 cents in 1979 to 40 cents in 1982 and remains at that level today.

Very simply, Mr. Chairman, the budget cuts of 1980 and 1981 continue to impact upon over-all participation in the school nutrition programs. In states such as West Virginia nearly half of our private schools have been forced to discontinue their

school nutrition programs. The programs continue to operate in all of our public schools, but with reduced participation. There are many large families who simply cannot stretch their decreased pay checks to meet the rising prices in the school dining room.

We in the Association feel that an improvement in the nutritional quality of the school meal patterns, particularly the School Breakfast, might help to increase participation of the paying child. For example, in the fall of 1981, the state of West Virginia implemented a state-wide mandate which requires the availability of a school breakfast in every public school. As a result of starting a School Breakfast Program in 500 additional schools, over-all participation has increased by fifty-eight percent. However, this increase has primarily been in school breakfasts served free to eligible students, not in purchased meals. The volume of purchased breakfasts served in October, 1984 was only 13 percent greater than those served in October, 1979. (Please consider, however, that the price of a school breakfast is now 40 cents as compared to 20 cents in 1979.) It appears that students and parents are doing some comparison shopping and may well feel that the nutritionally superior school lunch is a better buy. An additional six cents per meal would enable schools to offer more variety than the minimum offering of juice, milk and a bowl of cereal.

Since 1979, participation of paying children in the school lunch program has progressively declined due to increased prices for both the fully paid and the reduced price school lunch. In October, 1984 schools documented a 23 percent decline in fully paid lunches and a 31 percent decline in reduced price lunch sales over that same period in 1979. Many of those children who are no longer regular customers are from families where the mother is the primary wage earner at a salary of five to six dollars an hour. In such families 40 cents to $1 apiece for three to four children is not easy to find on every school day.

Mr. Chairman, these nutritional "drop outs" continue as a direct result of the 1981 budget when funding for child nutrition was reduced by one-third. When compared to the $1.5 billion cut from these programs in 1981, the restoration of some $200 million, as proposed in H.R. 7, seems very modest. It is hard to believe that H.R. 7 could be described as "unraveling" the budget cut-backs of 1981. It is regrettable that our first concern at both the state and national level must center, not around H.R. 7 and its fine tuning of current programs, but on the Administration's proposed budget cuts for 1985 which, if enacted, would reduce federal support for the nutrition of school children by another $686 million.

As Mrs. White indicated in her testimony in February, such additional cuts would have serious consequences: (1) On a per meal basis, the proposed 24 cent cut in support for paid lunches is double that of 1981; (2) The further substitution of commodities for 12 cents in cash subsidies for free and reduced price meals would cause serious cash-flow problems in states like West Virginia where government-donated foods already are utilized to the greatest extent possible.

If such cuts were enacted, many families in West Virginia could not afford another 30 cent increase in meal prices. Their children will, as a result, cease to participate in the school nutrition programs. The net result may well be a discontinuation of the federal program in those public schools where 80 percent or more of the students' meals would no longer be subsidized. There are in West Virginia, 123 schools with an enrollment of nearly 65,000 students which serve no more than 20 percent free or reduced price meals. If these programs are discontinued, 9,000 needy students would be "at risk" of receiving nutritional benefits.

Mr. Chairman, the Association's membership share in the frustrations which your committee is experiencing as we discuss H.R. 7 today. We again commend you for introducing this important statement of nutritional need.

Chairman HAWKINS. Thank you.

The next witness is Mr. Michael Lemov.

Mr. LEMOV. Thank you very much, Mr. Chairman. It is a great pleasure to appear here before this committee. It is a bit of deja vu for me. I spent a good part of my career down the hall working on the staff of the House Commerce Committee and the House Banking Committee and I am not used to being on this side of the table. I hope I don't get confused this morning. It is good to be here.

I would appreciate having my statement incorporated into the record.

Chairman HAWKINS. Without objection, so ordered.

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Mr. LEMOV. I will summarize, if that is acceptable to the chairman.

I would like to point out that the statement of the Food Research and Action Center is being given on behalf of some 27 other organizational supporters of your bill, Mr. Chairman, H.R. 7. Those supporting organizations are listed on the attachment to our statement and they include a membership of millions of people. I mention in particular the National Milk Producers, including 200,000 dairy farmers; Bread for the World, with 60,000 members, and we were advised yesterday that the National Education Association, with its over 3 million members, endorses our statement in support of your bill, Mr. Chairman, H.R. 7, so it certainly is a pleasure to be here this morning.

I anticipated talking exclusively about H.R. 7 because that is the subject of this hearing and that is the kind of affirmative constructive legislation that we need in the child nutrition area, but I can't help but comment for a moment on Associate Administrator Crow's testimony, which absolutely requires one or two comments.

In the written statement of the administration on these programs, there are some, we believe, misstatements. For example, on page one, Mrs. Crow said that about 24 million children a day participate in the school lunch program. The latest numbers we have from the Department of Agriculture are 23.4 million children. We think that error of 600,000 children is a substantial and significant error that we do not believe that that number is accurate. I am quoting the fiscal year 1984 numbers of the Department itself. They are guessing on what the participation will be in 1985. They won't have those numbers until the fall. When you are dealing with school children, you have to be accurate.

We note that on page two of the statement, Associate Administrator Crow says that the administration has restrained the budgets of the child nutrition programs through judicious changes adopted by Congress in 1981. We hardly think the words "restrained" and "judicious"—are applicable in this situation and we note that the overall cuts have been approximately $5.2 billion on a current services basis over the last 4 years. That has been approximately—a reduction of approximately 3 million children from the program and 2,500 schools. If that is a judicious and restrained approach to these programs in the budget, then we hate to see what would happen if they really went at them with a meat ax.

Finally, in a concluding comment, Mrs. Crow says that they want to emphasize that no child eligible for a free lunch would be affected by our proposal. That omits the significant factor you raised, Mr. Chairman, which we concur with, that if an entire school is forced to drop out of this program by reduced Federal assistance, then the poor kids, as well as the middle-class kids suffer and the projections we have in letters from school administrators in many States, as well as projections of the Department of Agriculture itself cited in the 1984 GAO study, indicate that a reduction in subsidies, Federal subsidies, will dramatically affect the number of schools participating and, therefore, deny the school lunch and breakfast programs to the entire school population.

I would like to pass now to the important subject of this hearing, which is H.R. 7. We appreciate the strong bipartisan leadership on

this committee on behalf of children and the nutrition programs designed to safeguard their health. This committee has always championed that bipartisan and strong approach and we urge you to continue it with H.R. 7. We think the key issue the committee must face here is do we feed our kids or do we feed the military budget or is it possible in 1985 that in this country we can do both, have an adequate national defense and also take care of the nutrition of our school children?

As you know, Mr. Chairman, in 1984, H.R. 7 passed the House of Representatives by a 5-to-1 margin. Has anything changed in America since that vote? Is there less need for an adequate Federal school nutrition and child care program? We do not believe so.

Last month, the Physicians' Task Force on Hunger in America released its report which stated that hunger in America is a national health epidemic. In addition to this factual study, we note that the infant mortality rate in the United States, which places us 17th in the world in infant mortality rates, is highly unsatisfactory and that the decline which we have seen over the years is beginning to slow.

We believe that adequately financed and well-managed Federal nutrition programs are important tools in our efforts to combat hunger, malnutrition and infant mortality. The programs this committee has supported over the years are truly one of the our Government's success stories.

H.R. 7 is an important but modest approach to addressing many of the concerns raised by the Physicians' Task Force Report on Hunger in America in 1985 and we note the fact that 15 national studies and 24 State-level studies are referred to by the Harvard physicians in support of the conclusion that hunger is, indeed, a serious continuing problem in this country.

H.R. 7 presents this committee and Congress with an opportunity and a challenge. The opportunity to improve and safeguard the health of our Nation's children, and yet, the challenge that some Members of Congress may object to new funding—the $370 million you referred to—because of the threat to the Federal budget.

We think that H.R. 7 requires some degree of choice. Congress recently decided to fund the production of 21 MX missiles at a cost of $1.5 billion and I think Mr. Kildee aptly referred to one element of the Defense Department effort to spend that much money in a very short time.

In addition, Congress continues to allow a business deduction for the three-martini lunch. We recall that the Joint Economic Committee said that if we capped the business deduction at only $25 for dinner, which is a reasonable dinner even in Washington these days, and similar levels for lunch and breakfast, the Government could save $1.7 billion, more than enough to fund your child nutrition bill, Mr. Chairman.

So we hope that you will enact this bill and report it to the Congress, to the full House of Representatives. We hope the Senate will support it as well.

We just want to refer now to five of the key provisions in the bill and some of the reasons why we think they are supported by the facts. The first is the improvement of the school breakfast program meal pattern. This would add 6 cents to each breakfast reimburse-

ment. The purpose would be to require greater variety of fruits and vegetables and whole grains.

We heartily endorse this provision for three reasons: First of all, the nationwide survey of nutritional quality of school breakfasts establishes that we need to improve the meal pattern. I am referring to the National Evaluation of School Nutrition Programs, which included two major findings. That study, by the way, was done by the Government itself, the Department of Agriculture. We think it is sound.

Its conclusion was that the school breakfast program increased the likelihood that children, especially poor children, would eat breakfast, and that is a crucial factor in nutritional health. The estimate was 600,000 students who currently skip breakfast would take breakfast if the program is maintained at an adequate level.

Second, there was a finding in this survey that school breakfast is superior in calcium and magnesium to other breakfasts that children might eat at home, but it contains less vitamin B–6, vitamin A and iron. For that reason, we support the increase of 6 cents to increase the nutrients consumed in the breakfast program.

The second reason we have for supporting this provision is that participation in the school breakfast program by students and schools will undoubtedly increase because of the increase in variety and appeal of the meal and that means that the program will be offered to more school kids. That is very important now because the program, the breakfast program, is found primarily in low-income areas and primarily serves poor children. Eighty-four percent of the children who participate in a breakfast program are from families eligible for free meals, and 89 percent from families eligible for free or reduced price meals.

Finally, we note that breakfast is unquestionably a very important meal for schoolchildren. The study which we cite at page 6 of our testimony by Dr. Ernesto Pollitt, of the University of Texas, establishes that the literature shows children benefit emotionally and educationally from a school breakfast and we are losing out by not giving an adequate breakfast to our kids.

The second provision of H.R. 7, which we particularly want to support, is the additional meals for the Child Care Food Program. Many low-income families depend on the Child Care Food Program for preschool children in family daycare homes and daycare centers.

Unfortunately, because of the 1981 budget cuts, many of these children who stay at the centers all day long receive only two meals and one snack. We believe that the evidence establishes that that is an inadequate amount of feeding for these little kids and that they need three meals and two snacks, which was previously the level. So the increase provision in the children care food program would have highly positive effects.

In addition, we cite at page 9 of our testimony at least three studies which demonstrate the adverse effect that has occurred since the enactment of the 1981 budget cuts on the Child Care Food Program. In particular, we refer to the California Rural Legal Assistance Foundation study, the study by Bread for the World and the study by the Children's Defense Fund, all of them showing that child care food providers have sharply reduced the amount and va-

riety of meals in reaction to the Federal budget cuts. That is a direct dramatic impact on preschool children, which this committee can do something directly about.

The third major area which we like to comment on is the school lunch provision of the legislation, and in that case, we would like to—we certainly support additional funding for the National School Lunch Program. In the fall of 1982, FRAC issued a report on the impact of the child nutrition budget cuts. We asked State and local school food officials what the principal reason was for children dropping out of the School Meals Program. This is directly in contradiction to the administration's rosy predictions of what will happen in the future.

A significant number of school officials indicated that legislative changes lowering eligibility and raising prices were the leading factors in fewer children participating in the school nutrition programs. For that reason, we support the provisions of H.R. 7, which would raise the eligibility for reduced price lunches from 185 percent to 190 percent of the poverty line and lower the student charge from 40 cents to 25 cents for lunch and from 30 to 15 cents for breakfast.

We note that the administration claimed last year that more than 70 percent of the benefits in H.R. 7 would go to families with incomes over 130 percent of the poverty line. It failed to point out, and we would like to point out, that approximately 70 percent of the benefits would go to familes with incomes below $19,000 a year, or 185 percent of the poverty line. That is, we believe, approximately targeted to the working poor who might have incomes as low as $12,000 or $13,000 a year for a family of four, people who need the assistance in terms of being able to pay for adequate school lunch and breakfast for their children.

The fourth major area is the Summer Food Service Program for children and we certainly support the provision of this bill that would allow nonprofit private agencies, such as the Boy Scouts, local churches, et cetera, to operate this program. This statute was changed, as you know, recently to permit only public agencies to operate the program and at present, the summer food service program serves only 1.4 million children, in contrast to the 11⅓ million children that get free lunches during the school year. So you can see there is a tremendous gap here between the summer program, which should be serving approximately the same free meal or poverty population. We certainly support that provision. We think it is very important.

Finally, I would like to pass to the WIC Program, which deserves a word or two here. It is very important that the WIC Program receive the increases you have proposed in your legislation, Mr. Chairman. The infant mortality information which we have—and FRAC will release shortly updated infant mortality statistics, but all of this demonstrates that we are not doing well at all in maintaining the decline in infant mortality rates in this country.

Currently, the WIC Program is only serving about one-third of the eligible pregnant women, infants and children, and that is a totally inadequate number for the United States of America in 1985. Your bill would increase the WIC Program by 250,000 women and infants, and believe me, in the long run would pay for itself many

times over in reduction in medical care and health care costs for low birth weight babies or for situations of infant mortality where medical intervention is extremely expensive.

The WIC Program is a cost-beneficial program. All the studies have shown that, including the one from MIT, which demonstrated a 3-to-1 cost benefit ratio, so we certainly hope that the provision on the WIC Program in your legislation will be adopted by the committee and the Congress.

We do want to point out that we have a serious problem with 1985 funding for the WIC Program. The administration has projected it is not going to heed congressional direction and fund this program at $1.5 billion, which was the continuing resolution level, but fund it at 76 million less. That is a decrease in 175,000 women and children on the program. We can't understand the administration's failure to follow very clear congressional direction and we certainly hope this committee and other committees of the Congress will induce the administration to do something about that. If not, we at FRAC will have to seriously consider commencing litigation for what is really an administrative impoundment of funds here without authority in the statute.

Finally, Mr. Chairman, we would like to acknowledge our support also in this area of Chairman Leland's bill, H.R. 1856, the Comprehensive Nutrition Assistance Act of 1985, which, we are happy to say, includes all of your provisions of H.R. 7 so both committees are really on the same track here, demonstrating what we think is deep commitment to the interests of children and to nutrition.

In conclusion, these are hard times for millions of lower income Americans. You have already referred to the dramatic increase in poverty numbers in the last 5 years, the largest increase ever in the history of recording the poverty numbers in this country and this bill can really do something about it.

We commend you and this committee for considering it. Thank you very much.

[The prepared statement of Michael Lemov follows:]

PREPARED STATEMENT OF MICHAEL LEMOV, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER

Mr. Chairman, I would like to thank you for the opportunity of testifying before this distinguished Committee regarding H.R. 7, The School Lunch and Child Nutrition Act Amendments. We appreciate the strong bipartisan leadership on behalf of children and the nutrition programs designed to safeguard their health which this Committee has always championed.

As you know, Mr. Chairman, on May 1, 1984, H.R. 7 passed the House of Representatives by nearly a 5–1 margin (343 to 72). What has changed in America since this vote? Is there less of a need for federal nutrition programs? We do not believe so. Last month, the Physician Task Force on Hunger in America released its report which stated that:

Hunger in America is a national health epidemic. At least 20 million Americans suffer from hunger. All evidence suggests that that hunger continues to grow as a problem rather than decline, despite economic improvements enjoyed by some segments of the nation's population.

Mr. Chairman, we believe that adequately financed and well-managed federal nutrition programs are important tools in our efforts to combat hunger in America. Federal nutrition programs are truly one of our government's greatest success stories.

In the 1960's, the first Physician Task Force on Hunger (funded by the Field Foundation) found widespread hunger in several areas of the country. But 10 years

later the same group found "their first and overwhelming impression was that there were far fewer malnourished people in this country today (1977) than there were 10 years ago." In the 1980's, we have suffered economic reversals throughout our country. Economic downturns, accompanied by budget cuts, allowed hunger to return to America. It has not been alleviated by the the economic revival of the past year.

H.R. 7 is an important but modest approach to addressing many of the concerns raised by the Physician Task Force on Hunger in America and the fifteen national studies and 24 state level studies cited in the Physicians' Report which have documented hunger in this land.

This legislation enjoys wide support in the child nutrition community. (See attached list of organizations which have endorsed H.R. 7). This bill:

Reauthorizes the Special Supplemental Food Program for Women, Infants and Children (WIC), the Summer Food Program, the commodity distribution program, the Nutrition Education and Training Program, and the State Administrative Expense Program through F.Y. 1988.

Increases school breakfast meal reimbursements in order to improve the quality and variety of foods offered in the breakfast program.

Provides funding for additional meals for the Child Care Food Program.

Lowers reduced-price lunch and breakfast charges to children of working parents.

Allows limited participation of private nonprofit agencies in the Summer Food Program.

Provides funding for modest growth in future years for the WIC program.

H.R. 7 presents Congress with an opportunity and a challenge. H.R. 7 gives us an opportunity to safeguard the health of the nation's children. Yet some members of Congress will challenge any new funding as a threat to the federal budget. H.R. 7 requires members to make choices. Congress recently decided to fund the production of 21 MX missles at a cost of $1.5 billion. Congress also continues to allow a business deduction for the "three martini lunch." The Joint Economic Committee has indicated that if we capped the business deduction for breakfast at $10, lunch at $15 and dinner at $25, the government would receive $1.7 billion in additional revenue. Will Congress decide to provide the approximately $350 million for H.R. 7 in F.Y. 1986? We would certainly encourage you to do so since we believe that the data supporting each provision of H.R. 7 is substantial and persuasive.

Some of the provisions contained in H.R. 7 which we believe will strengthen child nutrition programs include:

Improvement of the School Breakfast Program meal pattern

One of the provisions of H.R. 7 adds funding for improving the nutritional quality of the school breakfast meal pattern by adding 6 cents to each breakfast reimbursement and requiring greater variety of fruits and vegetables and whole grains, as well as additional protein foods.

We heartily endorse this provision for a number of reasons:

(1) A recent nationwide study shows that the nutritional quality of school breakfasts should be improved.—In 1979 the Senate passed a resolution, commonly referred to as Senate Resolution 90, which asked a number of questions about the impact of school meals on children and their families. A number of studies were initiated in response to this resolution, but one of them specifically looked at the nutritional impacts of the School Lunch, Breakfast, and Special Milk Programs. It is called the National Evaluation of School Nutrition Programs, and was completed in April 1983.

This study reported two major findings concerning the School Breakfast Program. First, the program was shown to increase the likelihood that children will eat breakfast. As the study points out, this is a major nutritional benefit in that children who eat a breakfast are substantially better nourished than those who skip breakfast. Projections made from this study's data show that over 600,000 students who currently skip breakfast would eat it if the program were available in their schools.

Second, the school breakfast is superior in calcium and magnesium levels to breakfasts children eat elsewhere, but contains less vitamin B6, vitamin A and iron. (Interestingly enough, however, over a 24 hour period the intake of these nutrients is similar for school breakfast participants and those who eat breakfast elsewhere. Their intake is made up during the remainder of the day.) Since vitamin A, vitamin B6 and iron are nutrients for which large proportions of children do not obtain their Recommended Dietary Allowances (as pointed out in USDA's "National Evaluation"), it makes sense to improve the nutritional quality of the Breakfast Program in such a way that: the consumption of these nutrients is increased; and the breakfast eaten at school is closer in nutritional quality to breakfasts eaten at home.

In fact, the "National Evaluation" final report recommends that "the School Breakfast meal pattern should be examined and improved." It was surprising to all of us when USDA's original response to this recommendation (FY1984) was to suggest terminating School Breakfast as a categorical program and placing it in a block grant with reduced funds. This legislative recommendation conflicted with the findings of USDA's report.

The "National Evaluation" results do not tell us which foods made the nutritional difference between school breakfasts and those eaten elsewhere. However, it is likely that it was the meat/meat alternate. First, because the School Breakfast meal pattern does not require the service of a meat/meat alternate. (It does require a cereal or bread product, juice, fruit, or vegetable and one half pint of milk.) Second, because foods not currently included in school breakfasts, such as cheese and eggs, are good sources of vitamin A, and meat, poultry, fish, and peanut butter are good sources of iron and vitamin B6. The addition of some form of a meat-meat alternate to the meal pattern, along with greater variety of fruits, vegetables, and whole grains would improve the nutritional quality of school breakfasts.

(2) Participation in the Breakfast Program by students and schools will probably increase with this provision because it will increase the variety and appeal of the Breakfast Program and will increase reimbursement to schools.—This increase in participation by students and schools is very important, especially considering two of the "National Evaluation's" findings: that the presence of a School Breakfast Program increases the chances that children will eat breakfast, and that the Program is found predominantly in schools located in low income areas and serves primarily poor children. In fact, 84 percent of the children who participate in the Breakfast Program are from families eligible for free meals, and 89 percent from families eligible for free or reduced price meals.

(3) Breakfast is a very important meal for children, (as well as parents and legislators).—We have two kinds of evidence that this is the case. First are the studies of the impact of breakfast, or the lack of it, on children's learning ability. Dr. Ernesto Pollitt of the University of Texas, in a 1978 review of the literature on the impact of school feeding programs on education sums up the evidence on breakfast as follows: The studies that focused on the short-term effects of hunger or morning feeding suggest that the provision of breakfast may both benefit the student emotionally and enhance his/her capacity to work on school-type tasks.

In addition, a recent carefully controlled study by Dr. Pollitt (1981) of the impact of skipping breakfast on thirty-four well-nourished nine and 10 year olds showed an adverse effect on the accuracy of responses on problem-solving (Pollitt E, Leible and Greenfield D: Brief fasting, stress and cognition. Am J. Clin Nutr 34:1526–1533, 1982). The second kind of evidence is anecdotal, and that is the reports we at the Food Research and Action Center get from superintendents, principals, school nurses, and teachers. They tell us again and again how children's reading scores increase, how relationships between students of different ages improve in the morning, how students have less stomachaches, and how much better children pay attention in class. Recently FRAC's nutritionist was in West Virginia and was told by a long-time school principal that starting a Breakfast Program in her school had more positive effects than any other thing she had accomplished. We should remember that there are many children to whom the breakfast provided at school is essential, and that this is true now more than ever with continuing high employment in states like West Virginia.

Additional meals for the Child Care Food Program

Another program upon which many low income families depend is the Child Care Food Program (CCFP) for preschool children in family day care homes and day care centers. Unfortunately children who stay at a day care center all day may only receive two meals and one snack because of cuts made in federal support for the Child Care Food Program. One of the provisions in H.R. 7 would add a meal and a snack back to the Child Care Food Program. We strongly support it. Let me tell you why.

First, the nutritional evidence. Before the changes occurred in the number of meals that could be served, USDA carried out an evaluation of the nutritional impact of CCFP through Abt Associates in Massachusetts, which showed highly positive effects. In fact, their report stated: "The differences between participating and non-participating day care centers [in meal quality] are striking. For every measure examined, participating centers have statistically significantly higher levels of meal quality than nonparticipating centers. Equally striking is the finding that participating family day care homes also serve meals of superior nutritional quality, and that these meals generally contain foods of higher quality and variety than those served by non-participating centers."

To be more specific, day care facilities that participated in CCFP provided a higher proportion of the Recommended Dietary Allowances than non-participating centers, had superior food preparation, handling and sanitation techniques, served significantly more foods rich in Vitamin A and C and iron, served fruits, vegetables, and juices 129 percent more often, whole grain products 50 percent more often, and milk more frequently at snacks and lunches. They also served significantly fewer concentrated sweets and sweet dessert foods and had care-givers who talked more often to children about nutrition and encouraged children to try new foods.

The results of this report are corroborated and elaborated upon by a survey of CCFP sponsors in the Northeast region carried out by the Connecticut Department of Education. The survey found that the quality and quantities of foods served in day care homes improved with their participation in CCFP, because of the funding for food and because of an increase in the availability of good nutrition information that comes with the program. As the New England state directors point out in their survey report, "This knowledge becomes twice as important when you realize that the information is often passed on to the parents of the children because of the close relationship and contact that is possible in family day care."

They also point out another benefit of CCFP in their report: The availability of CCFP funds has enabled many providers to remain in operation and to keep their fees at an affordable level. The accessibility of affordable day care has freed many families from low income status.

This is not surprising when one considers the makeup of the parents using the day care homes participating in CCFP in the Northeast region—69 percent held blue-collar or unskilled jobs and 40 percent represented one-parent families.

The impact of the cuts in the number of meals from three to two and number of snacks from two to one has been quite negative, as evidenced by reports coming in from around the country.

In January 1983 the California Rural Legal Assistance Foundation surveyed 64 child care sponsors (representing over 9,354 children) in ten San Francisco Bay Area counties in order to measure the longer-term impact of FY 1982 budget cuts. In their June 1983 report, "Cutting Costs in the Child Nutrition Programs: The Longer-Range Impact of Federal Budget Cuts and How Programs are Coping," the Foundation stated that forty-one percent of the surveyed day care programs have been forced to substantially reduce the number of meals served to the children they care for. Another 38 percent have turned to deficit spending rather than cutting back on the meals they serve. This means borrowing from educational materials funds, staff salary funds, etc., to make ends meet, resulting in less service available to the children overall and an overworked staff. Finally, thirty-four percent have significantly cut back on the variety and quality of foods served.

The "Hunger Watch U.S.A." report released by "Bread for the World" two years ago reports the local effects of budget cuts in federal food assistance programs as catalogued by their members in different parts of the country. They report fewer meals being served to children, because of decreased federal support, in Wake County, North Carolina; Jamestown, North Dakota; Albuquerque, New Mexico; Topeka, Kansas; LaCrosse, Wisconsin; Charlottesville, Virginia; Springfield, Vermont; and Nashville, Tennessee.

In January 1983 the Children's Defense Fund in collaboration with the Association of Junior Leagues launched Child Watch in over 100 communities nationwide to monitor the impact of federal budget cuts on needy children and families. In Massachusetts, the Child Watch group found that programs across the state had to curtail the amount and variety of food served. The Minnesota group reported that the quality and expertise of cooks and staff had to be reduced, worn-out equipment could not be replaced, and deficits were faced. In Maryland many centers reported a decrease in the variety of meals served and the number of meals and snacks provided.

These changes are occurring at the same time that parents are depending more and more on day care facilities to help them stay on the job and ensure nutritious meals for their children in spite of smaller home food budgets. These cuts are also occurring at the same time as other cuts have made day care programs harder to maintain—reductions in Title XX, CETA, and compensated Child Care costs in AFDC. All three of these programs have provided a great deal of support for child care for low income working families in the past. The Children's Defense Fund released a report in 1984 titled "Children and Federal Child Care Cuts", which surveyed the impact of federal Title XX cuts on state child care systems. They found that reductions in Title XX funding triggered cuts in state child care systems throughout the country, including such practices as making fewer low-income working families eligible for Title XX Child Care, increasing fees for child care, reducing

funds for training child care workers, lowering child care standards, and cutting back on staff. Obviously the states would be hard put to make up for meals lost when they cannot even pay for staff. Finally, these cuts are happening in the face of an ever-increasing need for child care. Almost 46 percent of mothers with children under three are in the labor force, and almost 57 percent of mothers with children ages three to five are working. It should be remembered that many of these mothers work long hours, and two meals and a snack are not enough food for their children during their working day. As anyone who has lived with preschoolers knows, they eat a number of small meals during the day. In fact, nutritionists and health professionals recommend small frequent feedings for this age group in order to ensure that their nutritional needs are met. Because of their short attention span, increased exploratory activity, high level of physical activity, and susceptibility to illnesses, small, frequent feedings are essential for preschoolers. For all these reasons, it would be a reasonable and wise social and health policy to reinstate the provision to these children of the amount of food they require over a long day in child care—three meals and two snacks—as they were provided previous to fiscal year 1982.

School lunch and nutrition education provisions

We also support additional funding for the National School Lunch and NET Programs. In the fall of 1982, FRAC issued a report titled "The Impact of Child Nutrition Budget Cuts: A Look At the States and Selected School Districts." We asked state and local school food officials what the principal reason was for children dropping out of the school meals programs. A significant number of officials indicated that legislative changes lowering eligibility and raising prices for lunches and breakfasts were leading factors in fewer children being able to participate in school nutrition programs. Therefore we support the provisions in H.R. 7 which raise the eligibility for reduced-priced lunch from 185% to 195% and lower the student charge for school lunch from 40 cents to 25 cents and the charge for school breakfast from 30 to 15 cents.

The administration claimed last year that more than 70% of the benefits in H.R. 7 would go to families with incomes over 130% of the poverty line. It failed to point out that approximately 70%–80% of the benefits would go to families with incomes below 185% of the poverty line. The bill is intentionally targeted to benefit the working poor, and properly so. According to the American School Food Service Association, the budget cuts enacted as part of the Omnibus Reconciliation Act of 1981 have dramatically reduced participation in the reduced-price lunch category.

Also, we have a particular concern about adequate funding for the Nutrition Education and Training Program. U.S. Department of Agriculture witnesses in the past have suggested that the sole goal of the NET Program was the development of classroom curricula on nutrition and that since this goal has been accomplished, the program should be terminated. The Department generally fails to mention that the goals of the program established by law also include: 1) teaching children about nutrition and its relation to health; 2) training food service personnel in the principles and practices of food service management; and 3) instructing teachers in sound principles of nutrition education. Thus, as Katherine L. Clancy, Past President of the Society for Nutrition Education said in testimony before the Subcommittee in February 1982: "The NET Program not only teaches the concepts of food as it relates to nutrition, but actually puts these concepts into practice in the lunchroom."

Also, it should be noted that evaluations of the NET program by USDA have found that the programs in Georgia and Nebraska demonstrated quite positive program effects on student nutrition knowledge (USDA, May 1982). Our recommendation is to add $3 million to the current $5 million authorization level of NET so that $8 million can be made available to states.

Summer Food Service Programs for children-sponsorship

There are 11 and ½ million children who receive a free or reduced-price school lunch during the 9 months of the school year. Yet the Summer Food Program which is designed to provide these children with the same nutritional lunch during the summer only served 1.4 million children in July 1983. A substantial barrier preventing expansion of this program is that nonprofit private agencies like community action agencies, boy scouts, and local churches are prohibited from being program sponsors. The only eligible sponsors are public entities, school food authorities and camps. If a school system or the city government decline to operate a program, none of the children in these communities will be served. We believe that the H.R. 7 approach of allowing limited participation by some private nonprofit agencies will help provide needed meals for many of the children currently unserved.

The Special Supplemental Food Program for women, infants and children

We support the Committee's recommendation of $1.7 billion for WIC for F.Y. 1986. Currently, WIC serves 3.1 million participants, but we know that approximately 9 million people are eligible for benefits. We also know that for every $1 spent on prenatal care, we can save $3 in future medical costs. The $1.7 billion funding level will allow WIC to grow by about 250,000 participants.

On a more urgent note, it is our understanding that the Administration is not going to request the full $1.5 billion that Congress appropriated for WIC for F.Y. 1985. We urge members of this Committee to take all appropriate actions immediately to ensure that the administration complies with the Congressional intent to expend all $1.5 billion in F.Y. 1985 as stated in the F.Y. 1985 Continuing Appropriations Resolution.

Finally, Mr. Chairman, we would like to acknowledge our support of Chairman Leland's bill entitled Comprehensive Nutrition Assistance Act of 1985 which encompasses all the provisions in H.R. 7.

In conclusion, we urge the Committee to favorably report H.R. 7 as introduced by Chairman Hawkins.

I would be pleased to respond to any questions the Committee may have.

ORGANIZATIONAL SUPPORTERS OF H.R. 7

American Federation of State, County and Municipal Employees, American Public Health Association, American School Food Service Association, Bread for the World, Camp Fire, Center on Budget and Policy Priorities, Children's Defense Fund, Coalition on Block Grants and Human Needs, Community Nutrition Institute, Council of Great City Schools, Food Research and Action Center, Friends Committee on National Legislation, and

Interfaith Action for Economic Justice, National Black Child Development Institute, National Consumers League, National Education Association, National Farmers Union, National Milk Producers Federation, National PTA, National Rural Housing Coalition, Public Voice for Food and Health Policy, Rural Coalition, Society for Nutrition Education, United Church of Christ Office of Church and Society, U.S. Conference of Mayors, and World Hunger Education Service.

Chairman HAWKINS. Thank you.

The final witness is Ms. Cathy Litteer, the Texas State WIC director. Ms. Litteer, we welcome you before the committee.

Ms. LITTEER. Thank you, Mr. Chairman, and members of this committee.

My name is Catherine Litteer and I am secretary treasurer of the National Association of WIC Directors and the WIC director from the State of Texas.

The National Association of WIC Directors represents State agency WIC directors of all 50 States, 31 Indian tribal organizations, Puerto Rico, Guam, the Virgin Islands, and the District of Columbia.

I am here today representing the National Association of WIC Directors in support of H.R. 7. You may recall that last year the association, represented by Dick Blount, the president, presented to this committee our statement of concerns regarding the reauthorization of the WIC Program and concerns regarding the future year's appropriations.

I have included that statement in the text of my written testimony, so I won't go over it at this time.

[The prepared statement of the National Association of WIC Directors follows:]

NATIONAL ASSOCIATION OF WIC DIRECTORS

A STATEMENT OF CONCERNS

The National Association of WIC Directors represents the state agency WIC directors of all the fifty states plus 31 Indian tribal organizations, Puerto Rico, the

Virgin Islands, Guam, and the District of Columbia. It was first conceived in 1979 as a national forum of dedicated program managers and other interested persons to act collectively on behalf of the Special Supplemental Food Program for Women, Infants and Children (WIC). It was officially organized by the adoption of its bylaws in November 1983 and the election of officers at its first national conference, February 6–9, 1984.

The functions of the Association include, but are not limited by the following specific functions:

A. To act as a resource for governmental bodies and individual legislators regarding issues particular to the health and nutrition of women, infants and children and to act as an advocate for WIC clients.

B. To provide good management practices to assist WIC Program Directors at the State and local levels.

C. To provide a national resource network through which selected ideas, materials, and procedures can be communicated to persons working in the WIC community.

The Association recognizes that, this the 10th anniversary year of the WIC Program, is one of its most critical years. Its legislative authorization expires September 30, 1984. Though federal funding of the Program has been relatively generous in the past, it must continually seek adequate funding even in years of high federal deficits.

As we celebrate its 10th anniversary, we commend the great accomplishments it has effectively attained since its establishment by a wise and concerned Congress faced with the probable effects of malnutrition in the lives of women, infants and children in our country.

Though the U.S. General Accounting Office's (GAO) most recent report on WIC evaluations released January 30, 1984 stated there was no "conclusive evidence" on the effects expected for the WIC Program, it did affirm that WIC evaluations did provide some favorable effects of the Program. Among the GAO findings were:

"We estimate that WIC decreases the proportion of low birthweights for infants born to women eligible for WIC by 16 to 20 percent. WIC's effect on mean birthweights also appears to be positive . . . WIC mothers appear to experience greater benefit the longer they participate."

"We conclude tentatively that teenage women and black women who participate in WIC have better birth outcomes than comparable women who do not participate in WIC."

"Participating in WIC may mitigate some of the effect of a mother's smoking, demonstrably harmful to infant birthweights."

"The available evaluative evidence is modest and preliminary but suggests that participation in WIC improves the intake of energy, protein, and some other nutrients for pregnant women, enhances the iron in their blood, and increases their weight gain."

"The limited evidence on anemia from the two studies of mdoerate quality suggests that WIC may reduce the incidence of anemia among infants and children."

The Missouri WIC evaluation study cited by the GAO review as one of the most credible and qualitative WIC evaluations documented that: "For both nonwhite and white participants, the low birthweight rates were less than one-half of the rates for comparable non-WIC mothers." That is a particularly significant finding because infant mortality is the 12th leading cause of death in our country and a low birthweight infant is 20 times more likely to die than a normal one.

That the GAO report could not be more conclusive was not necessarily indicative of deficiencies within the Program. The "lack of conclusive evidence" was more a problem of the size of the studies (State studies vs. national) and particular methodological imperfections (difficulty of establishing a control group). The GAO, itself, refers to these problems in underscoring "the need to design and implement better studies."

Confident that the WIC Program has earned its place in the field of preventive health, the National Association of WIC Directors has chosen this means to address itself to the basic concerns of legislative authorization and funding as the Program begins its second decade servicing the health and nutrition needs of women, infants and children.

Herein is our statement of concern.

NATIONAL ASSOCIATION OF WIC DIRECTORS

A STATEMENT OF CONCERNS—SUMMARY OF RECOMMENDATIONS

(Mar. 9, 1984—Reissued Apr. 2, 1985)

Legislative authorization

1. The Special Supplemental Food Program for Women, Infants and Children (WIC) should be given permanent authorization prior to September 30, 1985.
2. There Should be no targeting of program benefits beyond the revised proposed Federal regulations issued July 8, 1983 (par. 246.7(d)(4) alternative C).
3. Non-food program costs should be defined as "direct services and operational costs which includes nutrition/health assessments and nutrition education, plus local and state administration."
4. The minimum funding for direct services and operational costs should be no less than 20 percent of the total grant.
5. There should be no establishment of a limitation on "State agencies" based solely on minimum participation levels.
6. Administrative type rules such as "processing standards" and "public hearings" should be provided for in Federal regulations rather than legislation.

Legislative funding

7. The full commitment of $246 million by 1985 supplemental funding should be honored, with the funds provided far enough before August 2, 1985 to avoid program disruption.
8. The FY 1986 appropriation should be sufficient to allow 10%–15% increase in the WIC caseload.
9. Authorization for end-of-year funding flexibility, not exceeding 3 percent, should be granted to permit the most effective management and utilization of total funding.
10. The Special Supplemental Food Program for Women, Infants and Children (WIC) should continue as a categorical program rather than folded into a block grant.

Legislative authorization

1. The Special Supplemental Food Program for Women, Infants and Children (WIC) should be given permanent authorization prior to September 30, 1985

The National Association of WIC Directors (NAWD) earnestly believes that the Special Supplemental Food Program for Women, Infants and Children (WIC) should be granted permanent authorization. The logic for such belief is based on sound management principles and the need for administrative continuity. It is most disruptive for any program to have to deal with legislative and regulatory changes each year. In many cases, it takes the greater part of a year to implement such changes. It is especially disruptive to a program such as WIC wherein certification is valid for a six month period. By the time some of the changes are fully implemented in the first cycle of certifications, there is a cloud of uncertainity over those certifications made during the last half of a one year authorization. The overall effect produces at the local agency level a negative climate of uncertainity regarding program stability. For possibly the first time in its ten years of existence, WIC finally has a method of funding and a fairly well refined set of federal regulations which assure some continuity and reflect some degree of long range planning. Therefore, the Association, confident of the effectiveness and proven national acceptance of the Program, recommends permanent authorization.

2. There should be no targeting of program benefits beyond the revised proposed Federal regulations issued July 8, 1983 (par. 246.7(d)(4) alternative C) [1]

There are those who suggest that WIC should better target program benefits to "those most-in-need". The "most-in-need" generally connotes "those who are identified as exhibiting some type of medical, anthropometric, or hematological risk." This argument compromises the entire preventive nature of WIC. It argues that WIC should be primarily therapeutic in nature. We find this troublesome. During the past ten years, health care literature has continued to support the premise that

[1] Revision attached as addendum to this paper.

prevention of health problems is cost-effective as well as humane. This has been shown in both the public and private sector. To limit WIC to therapeutic treatment would be short-sighted and would only contribute further to our current national dilemma, the continuation of spiraling health care costs.

The July 8, 1983 proposed Federal Regulations (Par. 246.7(d)(4) Alternative C) governing the WIC Program provides for a priority system to manage caseloads. State directors believe that relatively slight revisions in that proposed priority system would ensure that those participants at greatest risk receive WIC services. Therefore, the National Association of WIC Directors recommend that there be no targeting of benefits beyond the revised proposed Federal Regulation.

3. Non-food program costs should be defined as "direct services and operational costs which includes nutrition/health assessments and nutrition education, plus local and State administration"

Those who propose to reduce the WIC Program administrative costs because they appear too high compared to other public assistance programs apparently have a misperception of what is included under program administration.

Indeed, "administrative costs" is really a misnomer since these also include payment for many client services such as nutrition/health assessments and nutrition education, plus local and state administration which includes safe-guarding accountability of federal dollars. If such a broad definition of "administrative costs" were applied to many health service programs, one could say their costs are 100 percent administration.

The National Association of WIC Directors recommends a redefinition of "administrative costs." Allowed non-food costs are better defined as: "Direct services and operational costs which include nutrition/health assessments and nutrition education, plus local and state administration."

4. The minimum funding for direct services and operational costs should be 20 percent of the total grant

The more definitive statement regarding direct services and operational costs, emphasizing the significant inclusion of client services, refutes the argument of high administrative costs. In fact, it can be more justly argued that the WIC Program is remarkably efficient. It provides more services than other programs at a lower cost.

To help stretch limited Federal direct services and operational cost dollars, State and local governments have contributed in-kind resources. A 1978 survey of State and local WIC Programs found that State and local in-kind contributions (staff, office spaces, etc.) comprised 13 and 40 percent of total State and local costs. However, as State and local public health budgets and Federal funds for maternal and child health services have shrunk over the past three years, the ability to provide in-kind resources to WIC has eroded. At the same time the purchasing power of direct services and operational funding has likewise eroded because health care costs have risen faster than food costs, the base of the 20 percent direct services and operational cost funding.

WIC directors are concerned about present and future cost containment. We believe that WIC Program services are an investment in preventing higher medical expenses. Studies in Massachusetts and Missouri have shown that infants of WIC participating women have lower medical costs than infants of comparable non-WIC women. These medical savings more than offset the costs of the WIC Program food and services. WIC not only promotes good health, it saves money.

These services can only be maintained if direct services and operational funds are sufficient to pay staff and to keep clinics open. The factors above have forced WIC managers and staff to retrench in providing services already. Any further funding restrictions will reduce the effectiveness of the WIC Program in serving needy women, infants and children and may ultimately lead to higher medical costs.

Therefore, the National Association of WIC Directors recommends that the minimum funding for direct services and operational costs be no less than 20 percent of the total grant. The Association believes that even a higher percentage is justified but it leaves that decision to the wisdom and good will of those who are empowered to decide.

5. There should be no establishment of a limitation on "State agencies" based solely on minimum participation levels

Those currently supporting a minimum size requirement for state agencies use "high levels of administrative cost" as the argument against small state agencies. In reality, the only state agencies likely to be affected by such a requirement would be those operating programs for Native Americans. If actual dollar amounts were reviewed rather than percentages, it would reveal that the number of dollars are rela-

tively small. For example, if we look at the Miccosouk State Agency, we observe a direct services and operational costs/food ratio of 46.33 percent. But dollars reflect $34,309 for food and $15,131 for direct services and operational costs. We feel that limiting state agencies to minimum sizes would only affect services to Native Americans. Since Native Americans have unique nutritional needs and problems, we do not feel services to this population should be sacrificed for the sake of minimal affect (in real dollar amounts) upon direct services and operational monies.

6. Administrative type rules such as "processing standards" and "public hearings" should be provided for in Federal regulations rather than legislation

As state directors, we greatly appreciate the concern of advocacy groups that seek to more effectively control program management by writing detailed client safeguards into enabling legislation. We are equally concerned about possible rapid and dramatic deregulation which could erode the quality of the Program. As program managers, we see the question to be how to maintain quality control in the Program, without over controlling the Program so that it cannot be managed efficiently.

We are committed to ensuring effective, efficient benefits to participating clients in a most timely manner; however, we are troubled by what are sometimes unrealistic processing standards, particularly in smaller satellite clinics established primarily as a convenience to the clients, by providing services in close proximity to where clients live.

We are in favor of public input into state plans; however history has proven that legislated public hearings are not effective. Participation at hearings often involve less than five persons, with some hearings actually attracting no one.

It is the opinion of the National Association of WIC Directors that these administrative policies can better be addressed through Federal Regulations which can more effectively provide proper guidelines with greater flexibility. State agency directors are committed to the established goals of the Program and believe that with more flexibility they can pursue the attainment of the goals in a creative, responsible manner.

Legislative funding

7. The full commitment of $246 million fiscal year 1985 supplemental funding should be honored, with funds provided far enough before August 2, 1985, to avoid program disruption

To avert a severe crisis in the summer involving the possible dropping of approximately 175,000 participating clients during July, August and September, the commitment of $246 million supplemental funding must be appropriated far enough before August 2, 1985. to avoid program disruption. The need is so obvious, WIC directors cannot rationally conceive that anything less than the full commitment of Congress will be provided. We commend the clear, definitive statement of the Congressional intention as expressed in passing the Continuing Resolution.

8. The fiscal year 1986 appropriations should be sufficient to allow a 10–15 percent increase in WIC caseloads

The National Association of WIC Directors applauds the past support which has been provided for the WIC Program. We believe the Program has proven the merit of such wisdom. As we look to the future and the beginning of the Program's second decade, we believe that its future funding must be related to both need and cost-effectiveness.

The Congressional Budget Office (CBO) has stated that $1.569 billion will be needed to maintain current WIC caseload levels throughout FY 1986. Obviously, the FY 1986 appropriations should be no less than that projected by the CBO.

However, we are sensitive to the great number of persons in need of the Program benefits and who are potentially eligible for Program participation which we cannot serve due to limited funding. We are equally aware of the necessary tension between program expansion and budget deficits. There is no easy course. Hard decisions must be made.

As state agency directors, we feel we would be irresponsible if we failed to emphasize the great need to expansion of the Program during the next few years in an orderly, reasonable manner. We recommend expanding the annual program authorization level by an amount equal to the determined inflationary increase plus 10–15 percent real growth per year. The real growth increase would complement the Department's present funding formula to establish equity based on need among the states and would permit limited growth in the stabilized state agencies.

This proposal is made in good faith that it will be a positive factor in controlling future deficits.

The GAO review of the most credible WIC evaluations led them to estimate "that WIC decreases the proportion of low birth-weights for infants born to women eligible for WIC by 16 to 20 percent." The Missouri study cited by GAO documented that "For both nonwhite and white participants, the low-birthweight rates were less than one-half of the rates for comparable non-WIC mothers." Further evidence of WIC's positive effect in preventing more costly long-term medical and health costs are cited within the GAO report.

It is true that the report stated there was no conclusive evidence on the effects of the Program though it did clearly state that "the information indicates the likelihood that WIC has modestly positive effects in some areas." That the GAO report could not be more conclusive was not necessarily indicative of deficiencies within the Program limiting its intended effectiveness. The "lack of conclusive evidence" was more a problem of the size of the studies (state studies rather than national) and particular methodological imperfections (such as difficulty in establishing a "control group"). The GAO refers to this problem in underscoring "the need to design and implement better studies." It must be remembered that it was the studies cited by GAO for their quality and credibility that documented the positive outcomes referred to in this paper.

Thus, as directors, we believe that Program expansion providing positive benefits may contribute to significant savings in future medical costs. This would have a positive effect on reducing future deficits. We welcome the opportunity to be a partner in the national search for a resolution of our common fiscal problems.

9. Authorization for end-of-year funding flexibility, not exceeding 3 percent, should be granted to permit the most effective management and utilization of total funding.

Due to many uncontrollable variables, it is most difficult, if not impossible, to utilize 100 percent of funding without risking overspending during the last 30–60 days of the fiscal year or cutting participation in that period to prevent overspending. For a State to perform at less than 100 percent is to deny services to those who need program benefits. Likewise, to under-utilize total funding because of imprecise control over variables could be interpreted that Program funds are adequate or greater than need; and, could cause unwarranted reductions in future funding. Therefore, the National Association of WIC Directors recommends that the State agencies be authorized to exercise management flexibility for end-of-year funding to exceed the grant by no more than 3 percent without penalty.

10. The Special Supplemental Food Program for Women, Infants and Children (WIC) should continue as a categorical program rather than being folded into a block grant

The National Association of WIC Directors has testified twice before Congressional Committees against consolidation of WIC and the MCH Block Grant (the Senate Subcommittee on Nutrition, February 22, 1982 and the House Subcommittee on Elementary, Secondary, and Vocational Education, March 17, 1982). The points raised in the testimony still apply and have been reaffirmed by the Association. We stand firmly on our belief that WIC's continued support has been a result of its ability to be identified as a specific service and to account for its effectiveness upon the nutritional well-being of women, infants and children. To those of us convinced that WIC will continue to prove its impact upon the health of our nation's children, such identity is imperative.

The National Association of WIC Directors has sumitted these recommendations as a resource for governmental bodies and individual legislators with confidence that their consideration and adoption will enable the Special Supplemental Program for Women, Infants and Children (WIC) to effectively continue as one of the most successful preventive health programs ever established by Congress. As directors we commit ourselves to responsibly manage the Program and safeguard the accountability of Federal funds in order to provide maximum benefits to those women, infants and children who are at nutrition risk in our country.

Respectfully submitted by,
The National Association of WIC Directors.

C. RICHARD BLOUNT,
President.

ADDENDUM

Department of Agriculture Food and Nutrition Service.

7 CFR Part 246.
Special Supplemental Food Program for Women, Infants and Children.
Proposed Rules, July 8, 1983.
The following is a revised form as suggested by the National Association of WIC Directors:
Par. 246.7(d)(4) Alternative C—
The following nutritional risk priority system shall be used by the competent professional authority to fill vacancies which occur after a local agency has reached its maximum participation level. The State agency may set income or other sub-priority levels within these three priority levels:
Priority 1. Applicants with special nutrition conditions.—Such conditions shall be based on any combination of anthropometric or hematological measurements, other medical conditions, dietary factors, or age, as determined by the individual State agency.
Priority 2. Pregnant and breastfeeding women, and infants, other than those who qualify as priority 1.
Priority 3. Children, other than those who qualify as priority 1.
Priority 4. Postpartum women, other than those who qualify as priority 1.

Ms. LITTEER. I would like to concentrate, however, on several key issues.

One is the length of the authorization. The National Association of WIC Directors ernestly believes that the WIC Program should be granted longer than 1 year authorization and ultimately permanent authorization, although we fully support the provisions in H.R. 7. Throughout the 10-year existence of the WIC Program, we have had varying authorization periods which, when coupled with at least at a minimum of seven revised Federal regulations, only produces an environment of constant change, disruption and uncertainty.

Our recommendation is based on sound management principles and the desire of WIC State Directors and local agency directors for administrative and program continuity. Using this fiscal year as an example, new regulations have been brought forth which will influence changes for both the State and local agencies. It must be implemented by June 1 of this year.

In the year where we operate by continuing resolution and questionable national funding, the overall effect of trying to implement program changes produces throughout the WIC community a negative climate of program instability, unnecessary frustration and only provides for short-term planning.

The WIC Program has proven its efficiency, effectiveness and resolve and we look to you to provide for continuity and stability.

The second issue is the minimum funding for administrative costs and program service costs should be at least 20 percent of the total grant. There are those who would suggest that the WIC Program's administrative costs appear high, compared to other public assistance programs. This is an obvious misconception. In fact, it can be more ardently and justly argued that the WIC Program is extremely efficient.

The WIC Program, in fact, provides a wider range of services and other programs and at a lower cost. Health screening: With the entrance into health care system, nutrition education, offering basic education in relationship to growth and development and maintenance of good health and supplemental foods, which are economically rich sources of nutrients found deficient in diets of low-income populations are in reality investments in preventing higher medical health care costs for the future.

As you know, studies have shown that infants born to women participating in the WIC Program have lower medical costs than infants born to comparable non-WIC women. WIC not only promotes good health, but it saves money.

The last issue for which the association is extremely concerned is permanent and future-year appropriation and the allocation of those appropriations. As members of this committee know, the President's new budget proposes to cut the WIC Program in both fiscal year 1985 and fiscal year 1986, which has just been previously presented to you. Interestingly enough, however, Congress appropriated $1.5 billion for WIC this year and the budget proposal indicated a figure of approximately $76 million less. The major impact of this funding shortage will occur in the fourth quarter of this year, actually late this summer, August or September.

The administration will only be asking for approximately $170 million of the $246 million appropriated by Congress for the supplemental funding from August 2 to September 30, unless action by Congress is taken to prevent them from following their plan. This committee must take the lead in that action.

The administration's budget requests only $1.48 million for fiscal year 1986, while the Congressional Budget Office has estimated that to maintain current WIC services, $1.569 billion is needed, which is 5.7-percent higher than the administration's proposal.

It is difficult to discuss the two funding issues separately since the reduction of the fourth quarter of 1985 funding has a direct bearing on the base funding amounts for fiscal year 1986. The strategy is clear; the administration is planning to force caseload down, either gradually beginning in February when the President introduced his budget or drastically in the fourth quarter of this year.

Previously, USDA, in adopting the funding formula for allocating WIC appropriations has used the States fourth-quarter grants annualized to start off the base grant for stability in the future year. If the administration's destructive course is not altered, and only Congress can change that course, all States will experience a reduced fourth-quarter grant; caseloads will drop; approximately 240,000 women, infants and children will lose their much needed assistance and the administration will have justified its fiscal year 1986 budget request.

The National Association of WIC Directors supports the amount authorized to be appropriated of the $1.7 billion in H.R. 7, fiscal year 1986, and contends that at a minimum, the appropriation should not be less than what the Congressional Budget Office estimates is necessary to continue to serve the current participation level in fiscal year 1986.

On behalf of the National Association of WIC Directors, I want to thank you for allowing this testimony and for your continued support of the WIC Program. We fully support the provisions in H.R. 7. There are literally thousands of young voices across this Nation who, if they could, would voice their "thank you" along with mine.

[The prepared statement of Catherine Litteer follows:]

PREPARED STATEMENT OF CATHERINE LITTEER

Mr. Chairman, members of Congress, my name is Catherine Litteer, Secretary treasurer of the National Association of WIC Directors and WIC Director from the State of Texas.

The National Association of WIC Directors represents State Agency WIC Directors of all fifty states, 31 Indian tribal organizations, Puerto Rico, Guam, the Virgin Islands, and the District of Columbia.

I am here today representing the National Association of WIC Directors, in support of H.R.7. You may recall that last year the Association represented by Dick Blount, President presented to this committee our Statement of Concerns regarding the re-authorization of the W.I.C. Program, and concerns regarding future year appropriations. I have included that Statement in the text of my written testimony.

In summary I would like to confine my remarks however to several key issues:

(1) Length of authorization

The National Association of WIC Directors earnestly believes that the WIC Program should be granted permanent authorization.

Throughout the ten year existence of the WIC Program we have had various authorization periods, which when coupled with a minimum of (7) seven sets of revised federal regulations over the same time period produces, an environment of constant change, disruption and uncertainty. Our recommendation for permanent authorization and our belief that such action is needed is based on sound management principals and the desire of State WIC Directors, local agency directors, and WIC participants for administrative and program continuity.

Using this fiscal year, as an example new regulations have been promulgated which will influence changes for both the State and local agencies and which must be implemented by June 1, 1985. In a year where we operate by continuing resolution, and questionable national funding, the over-all effect of trying to implement program changes produces throughout the WIC community a negative climate of program instability, unnecessary frustration, and only short term planning. The WIC program has proven its efficiency, effectiveness, and resolve. We look to you to provide for continuity, and stability.

The second issue is,

(2) The minimum funding for administrative costs and program services should be at least 20 percent of the total grant

There are those who would suggest that the WIC Program's administrative costs appear high compared to other public assistance programs. This is an obvious misconception. In fact, it can be more ardently and justly argued that the WIC Program is remarkably efficient.

The WIC Program infact, provides a wider range of services than other programs at a lower cost. Health screening, with entrance into the health care system, nutrition education, offering basic nutrition in relationship to growth and development, and maintenance of good health, and Supplemental foods which are economically rich sources of nutrients found deficient in diets of low-income populations, are in reality investments in preventing higher medical expense burdens. As you know studies have shown that infants born to women participating in the WIC Program have lower medical costs than infants born to comparable non-WIC participating women. WIC not only promotes good health, but it saves money.

Because local, state, and federal dollars for maternal and child health services have decreased over the last several years, the ability of many State and local agencies to provide in-kind resources to the WIC Program activities has also decreased. At the same time the costs to provide the three major WIC services has risen, and purchasing power diminished since health care costs have risen faster than food costs, which is the base of the 20 percent administrative funding we currently receive.

Any further funding restrictions imposed by reducing the available administrative dollars will seriously reduce the effectiveness of the WIC Program. Therefore the National Association of WIC Directors recommends that minimum funding for administrative and program service costs be no less than 20 percent of the total grant, but believes that a higher percentage is justified.

The last issue for which the Association is extremely concerned is

(3) Current and future WIC appropriations

As members of this committee know, the President's new Budget proposes to cut the WIC program in both FY 1985 and FY 1986.

Interestingly enough, however, the Congress appropriated $1.5 billion dollars for WIC in FY 1985, and the budget proposal indicated a figure of approximately 76 million dollars less. The major impact of this funding shortage will occur in the fourth quarter of this year, actually late this summer. The Administration will only be asking for approximately $170 million of the $246 million appropriated for supplemental funding from August 2, to Sept. 30, 1985 unless action by Congress is taken to prevent them from following their plan.

The Administration's budget requests only $1,480 billion dollars for FY 1986, while the Congressional Budget Office has estimated that to maintain current WIC services, $1,569 billion is needed, which is 5.7% higher than the Administration's proposal.

It is difficult to discuss the two funding issues separately since the reduction of fourth quarter FY 1985 funding has a direct bearing on the base funding amounts for FY 1986.

The strategy is clear; the Administration is planning to force caseload down, either gradually beginning in February, or drastically in the fourth quarter of FY 1985. Previously, USDA in adopting the funding formula for allocating WIC appropriations has used State's 4th quarter grants annualized to start the base grant (stability) for the future year. If the Administration's destructive course is not altered, and only Congress can change that course, all States will experience a reduced 4th quarter grant, caseload will drop, approximately 175,000 infants, women, and children will lose their much needed assistance, and the Administration will have justified it's FY 1986 budget request.

The National Association of WIC Directors supports the appropriated $1.7 billion asked for in H.R.7. for FY 1986, and contends that at a minimum the appropriation should not be less than what the Congressional Budget Office estimates is necessary to continue to serve the current participation level in FY 1986.

On behalf of the National Association of WIC Directors, I want to thank you for allowing this testimony today and for your continued support of the WIC Program. There are many, literally thousands of young voices across this nation who, if they could, would echo their "thank you" with mine.

Chairman HAWKINS. Thank you, Ms. Litteer.

Ms. Litteer, in Ms. Crow's prepared testimony—and I find so many statements of this nature contained in that testimony that it is almost unbelievable—on page 9 in reference to a reduction in the number of persons participating in the WIC program, she said: "We believe that this program needs to be stabilized and better targeted so that its focus will be on pregnant women and infants." It seems to be a reasonably fair statement, but I just don't know what she means by "being better targeted so that its focus will be on pregnant women and infants," as if there is an implication that the program currently isn't really focused on pregnant women and infants.

Do you have any thought or any explanation or any comment to make as to whether or not the program is not targeted or is not reaching those that it is supposed to be reaching?

Ms. LITTEER. I can only assume, Mr. Chairman, that she is making that statement because, probably nationwide on the average, the WIC Program is addressing the needs of about 50 percent children. Caseloads are make up of about 50 percent children, rather than women and infants. However, I think that if you go back and look at even stabilizing the WIC Program, you are going to be losing 140,000 participants.

I think that we have to take a look at where these children come from. Their age groups are, of course, 1 year to 2, 3 and 4 years of age, so you have got a larger pool of potential eligibles to draw from than from women, low-income women who potentially may become pregnant at any time in a given year, and the number of infants that are born.

I think the targeting of WIC falls pretty close to the priority levels that are already designated in the Federal regulations, and that by using those priority standards, we are prioritizing who we are serving.

Chairman HAWKINS. So you think that her statement implies that too much emphasis is placed on children as opposed to infants and the pregnant women themselves?

Ms. LITTLER. I think so, yes. I think that they are not realizing that the pool of potential eligible children who have nutritional needs points to a problem that can be just as devastating as those of an infant in some cases. The pool is greater; therefore, the percentage of participants you are going to serve is greater in that particular category of participant.

Chairman HAWKINS. Mr. Lemov, let me also ask you about terms of a statement Ms. Crow make with respect to the WIC Program.

On page 8 of her statement, she said that H.R. 7 will increase the cost of the WIC Program, and she suggests that this would mean that the participation would increase to 3.3 million in 1985; 3.4 million in 1986; 3.59 million in 1987; and by 1988, 3.73 million. She was stressing the increase in the participation and then indicating that the program is increasing so dramatically that it needs to be stabilized.

I think in your testimony you quoted the numbers that are now being reached as being approximately 3.1 million persons, but out of an eligible population of 9 million, which means that less than a third of the target group are now being served. In such a situation, what does the administration mean by the program needs to be stabilized? It seems to me that is a rather modest incremental increase. Certainly in terms of the budget situation, that does not impose a tremendous burden. I think you also referred to a study that the program actually pays for itself.

Now, in view of those facts, in what way does a program of this nature help to reduce the deficit, and what is the relationship of a cost-effective program of this nature, even leaving aside the moral and social implications that may be involved in the program and just being hardheaded business persons who look at the budget itself?

In what way will this impact, then, on the budget situation we are faced with?

Mr. LEMOV. Mr. Chairman, I think you have put your finger on the key consideration with respect to the WIC Program. I think we have to consider the budget impact not only of 1986, but of at least 1 or 2 or 3 years beyond that, and by not serving a larger percentage of the eligible population, it is clear that we are going to be paying substantial costs as a nation in subsequent years, and very soon, too. We are talking about health care costs that will impact, not in 10 years or even in 5 years, but within the next 2 or 3 years. We are talking about tax dollars in terms of the Medicaid Program; we are talking about cost shifting of insurance money from private middle class or insured persons who pay insurance or insurance companies over in hospitals where they have to spend money for the health care of low birth weight children or children that are very ill at birth.

So that we certainly agree with you that this program should serve a much larger portion of the eligibles. After all, you are only eligible for this program if the mother or the child is low-income and also medically at risk. So we don't understand the administration's suggestion about better targeting. This program is targeted already and it is too small. It needs an increase; it doesn't need stabilization.

Chairman HAWKINS. It would seem to me that we will be falling behind, both financially and otherwise in the program, that in the out years, if not in 1986, reducing this program would actually increase the budget deficit. It will just simply shift it to other costs that society will be faced with.

Mr. LEMOV. Everything that we see is consistent with that conclusion. If you look at the infant mortality rate in this country, which is extremely high. The low birthweight figures, which are unacceptably high, and those are adverse health consequences which can be reached by this program. This is a very studied program, so that we certainly agree with you that we will very shortly be paying the costs for this attempt to reduce this program, which is really what it is. It is not a stabilization; it is a cut.

We will be paying it out just in another budget category. We certainly agree with that. Everything we know about this program, in terms of the studies that have been done by MIT and other universities and by the Government itself, establish this. You are correct on that, Mr. Chairman. This program needs to be increased.

Chairman HAWKINS. Thank you.

Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman, and thank all of you for your testimony. I don't agree with all of it, but I don't think you expect me to agree with all of it. You are supposed to be advocates on behalf of your particular programs.

I guess I would make a small comment in defense of USDA, which is something I don't always do, but, Mike, I thought your criticisms were a little bit harsh. I think when they use words "about 24 million," they are indicating an approximation and I don't think that we need to be partisan and picket people over that kind of thing. "Judicious" and "restrained" are clearly opinion words. You don't need to agree with them, but I think to criticize them for using the words is not necessarily all that judicious, if I can use that word at this point in time, when we are trying to find a way to build a bipartisan consensus to go with something in the area of school nutrition.

I think you all know that what the administration has proposed in their budget is not going to become law. What does become law is a good question. I think that is what we have to try to resolve.

I would like to ask you a difficult question from the position of your advocacy groups, which is, why is it that whenever I meet with the school administrators back in Wisconsin and they prioritize educational programs, school lunch is always in the lower end of their priority list? They are much more alarmed about chapter II and about chapter I and those programs. I have a couple of letters I could show you from school administrators that say, "Well, we could handle some reduction in the School Lunch Program."

Probably not what the administration is proposing, but some reduction—why do you think that is?

Mr. LEMOV. Mr. Gunderson, let me first comment on my comments on the administration's position. This committee has always had a wonderful bipartisan record in supporting Child Nutrition Programs and I just—when I comment on their position, we are not in any way suggesting anything about the members of this committee because you have always gone to bat 100 percent, or at least 99 percent——

Mr. GUNDERSON. Ninety-eight.

Mr. LEMOV [continuing]. Ninety-eight percent, and we really appreciate that and when you mention advocacy organizations, a lot of these groups on here wouldn't necessarily be considered advocacy organizations, like the Church of Christ or the U.S. Conference of Mayors. I mean, perhaps FRAC is, but a lot of the people endorsing our statement are not and so it is a broad-based position.

Now, your question was on a subject I am not an expert on. That is why I was sort of delaying answering it.

Mr. GUNDERSON. Probably—Mrs. Gravenmier, from your position with the West Virginia DPI, you could respond. Do you find the same thing in West Virginia, that your school administrators are much more concerned about chapter I and chapter II than they are school lunch?

Ms. GRAVENMIER. I believe our superintendent of schools provided testimony in New Orleans before—I am not sure which committee—but he did address both the cuts in chapter II and I and also in the Child Nutrition Programs, so perhaps we are a bit more fortunate in West Virginia as to the stress which was placed on all cuts in general.

However, I think we are talking about a set budget with school people, and of course, school boards, our county school board, our district school boards' primary responsibility is toward education, getting the teacher in the classroom with the proportion of students per teacher and all that sort of thing. So, in drafting their budget, they do have to look at these grants which primarily go for salaries and set administrative costs, just as we are now having to look at the infrastructure of our School Lunch Program and are so concerned that this will be wasted away.

There are certain cuts which—certain budget priorities which must be established early on. Our school budgets, for example, were established, I think, in March or April for next year and our State budgets already have gone for next year. So we would have to look at those basic costs first, I think, in setting up the budget. We do tend to stress the availability of those funds, first of all.

Mr. GUNDERSON. Go ahead, Mike.

Mr. LEMOV. Mr. Gunderson, could I take a crack at that now.

I understand the American Association of School Administrators does oppose any further cuts in school nutrition programs, so they are on record against any further reductions. That does address your question on education versus food programs.

Mr. GUNDERSON. OK.

The second question: Is there any evidence that a lot of families between the 185 and 195 percent of the poverty level have been applying for and are getting word of a denial for reduced price meals?

I mean, one of the things we are looking at in H.R. 7 is raising that level. Is there an indication that there are a lot of those families applying for reduced price and not receiving them?

Ms. GRAVENMIER. Of course, we publish those guidelines in the newspapers so I don't think that parents would make the application if they feel that their income is over that. That does not necessarily mean that they don't feel that they need some assistance.

Mr. GUNDERSON. When you publish it, do you publish a percentage or do you publish a dollar amount?

Ms. GRAVENMIER. We publish the dollar amount.

Mr. GUNDERSON. OK, thank you.

Go ahead, Mike.

Mr. LEMOV. Do I understand your question as to the need of that 10 percent?

Mr. GUNDERSON. Yes. What has prompted this? I mean, do we have a lot of people coming in and applying who are just over the line?

Mr. LEMOV. From our point of view, it is the general—it is the number of studies. The Harvard report, which I referred to, cites 15 national studies and 17 State studies which show increasing numbers of people either having hunger problems or food problems or in line for emergency food repeatedly at churches, community centers, et cetera. You just can't—and FRAC did one of those studies called "Bitter Harvest" last November. We found a 22-percent increase in demand for emergency food between 1983 and 1984, even though we were having an economic recovery in that year. So I think it is in part the general data which we continue to see on increased poverty, increased demand for emergency food and malnutrition that prompts the effort here to serve some of that population.

Mr. GUNDERSON. You all would know better than I, but are you making a case directly or inadvertently that probably what we ought to be doing is taking some of that 24-cent subsidy for school lunch—and reducing something in there, some part of that, rather than increasing the amount eligible for reduced price lunches? Would something like that better address the intended needy population? I don't know I am asking. I mean, are their revisions within the same dollar amount that better serve the needed constituency?

Mr. LEMOV. Let me suggest, Mr. Gunderson, that there is money—we recognize you are struggling—this committee is struggling very hard in the face of major Federal budget deficits to come up with a fair and balanced program and we appreciate that and we think it is very responsible, but we do want to point out that you might look at some other committee's jurisdictions, too, to save some money.

For instance, the investment tax credit——

Mr. GUNDERSON. But we are not on those committees.

Mr. LEMOV [continuing]. $32 billion last year and that is a place where money can be saved and given to nutrition programs.

Ms. GRAVENMIER. I think the problem is the total cost of the program, the infrastructure of the School Lunch Program, which requires participation of sort of a balance of children, and when you raise meal prices, as I said, then you tend to—for every penny, you

lose a child. So that the programs do not meet the needs of any of the children, particularly in the junior and senior high schools.

We have many kids who may be approved—their parents may have applied for a reduced or free lunch for them, but because their peers are not participating, then they do not come through the lunch line, either, even though they might have it available to them.

Mr. GUNDERSON. Thank you.

Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. McKernan.

Mr. MCKERNAN. Yes, just a couple of short questions to Ms. Litteer on the WIC Program. I think that all of us understand the problems with the funding levels that have been proposed and, unfortunately, I am afraid that we are not going to see much more than was received last year, and perhaps not adjusted for inflation.

Is there any way that you can suggest, from your experience, that we might be able to better target that program? The chairman talked about this a little bit, but, understanding that we don't have the dollars to do what needs to be done, are there some areas to which WIC funds ought to be targeted more than others? I understand that, for instance, instead of having as many of the funds go toward the children, should it go more toward the pregnant women?

Ms. LITTEER. Well, it is very difficult to talk about targeting. I know the administration has talked about that. In view of targeting, they have come out with priorities of individuals in higher risk than others. The first two priorities, infants and pregnant women. Infants are priority 2. Children that have anemia are priority 3.

What the administration and USDA is encouraging us to do now is serve high-priority individuals. I think that many States are doing that, and we were doing it to begin with. As far as the children, you know, children in poverty has increased 51 percent since 19—between 1979 and 1984, and as I said earlier, because we can serve 1-year-olds, 2-year-olds, 3-year-olds, and 4-year-olds, the pool of population eligible is far greater in children.

I know in Texas, we are serving 46 percent children. I would say 71 percent of that is priority 3 children, which are considered high-priority folks. So I think before we target any further, we need to look at just what the makeup of those high priorities are. Yes; they are going to be children because that is a high priority, priority 3.

So I don't know how much targeting we can do. You have to make the decision now whether you want to serve a child that is a 2-year-old, that has no food, and as a consequence, is anemic, who can't gain weight, that lives out in Presidio, TX, versus the same type of child that lives in Houston. Which one do you serve? We are making decisions about that now. Where will we put the money, because there is a need in both places, but perhaps the need is greater because the numbers are greater in Houston than they are in Presidio.

I think before we target any further, we need to find out more specifically what is already being targeted. I don't know how much further we can target unless we want to serve all infants and all children—I mean, and all women. But, you know, what is the percentage of low-income women age 44—I mean, 15 to 44, who could

get pregnant within any given year? What is the number of low-income infants that are born in any given year versus the larger pool of children that are potentially eligible who have, many of them, high needs, high nutritional risk factors involved in their conditions?

Mr. McKERNAN. I am not sure that you really answered my question. I guess I was talking about whether more funds ought to be going to one of the other priorities, one or two, rather than three. Not so much that there isn't a need for three.

Ms. LITTEER. Funds aren't targeted to individuals currently. I mean, right now we receive an administrative grant and we receive a food grant, and with that food grant, we can serve, you know, priorities in any one of the categories, either women, infants or children. No money is attached to a particular category at this time.

Mr. McKERNAN. I understand that. What I am saying is if there are fewer dollars available than we need, would it make any sense to do that?

Ms. LITTEER. If we receive fewer dollars, you have to look at where those dollars are going. The infant food package is far greater than a children's food package or a woman's food package. Currently we are faced right now with ridiculous levels of inflation rates that USDA uses to base their 1985 and 1986 funding. I mean, inflation in Texas in 1984 was 5.2 percent. For the Nation, they use 2.49 percent.

They can't keep up now, so who is going to hurt? The food package to infants is $44, compared to $36 in Texas, so if I get less money, I serve fewer infants because that is where most of my money is going. It is crazy. They push to serve infants and they don't give you the money to pay the infant food package so you don't serve infants. I mean, it is a catch-22 situation as it is right now.

I might not have answered your question——

Mr. McKERNAN. I think you demonstrate what a difficult problem we have——

Ms. LITTEER. It is a very difficult problem.

Mr. McKERNAN. Let me just follow that up by asking whether it would make any sense to target the higher priorities from the Federal level and ask the States to help participate in the lower priorities if there are, in fact, fewer dollars.

I understand that only Massachusetts and Maryland participate in the program and that the rest of the States are basically using all Federal funds. Do you have any comments on that?

Ms. LITTEER. It would be a personal comment; it wouldn't be one from the Association. I think the association supports the appropriations in H.R. 7 and I do, too—I mean, from Texas. As far as other States becoming involved in subsidizing, if you will, I can't really speak to that. I know what we are doing. I know what Massachusetts has done. I know that Louisiana used to; it doesn't anymore because many of the States are facing their own kinds of problems in State administration. Texas right now has something in our legislature, whether it may be passed, authorizing it may be one thing, but the appropriation is slim and none, the way it looks right now.

So I don't know. I really can't speak to that issue for the association. I am not sure it would be feasible.

Mr. MCKERNAN. Let me just say—as one who supported H.R. 7 last session, and as one who probably will not this session because, while we felt that we were on the right track with the deficit until around December 1984, all of a sudden we found out the deficit wasn't going to be $160 billion, as we had thought, but rather, 230 billion; I hope that the association will think about what seems to be a growing trend, projected as a trend before we even saw the high deficits, and that is more and more programs being sent back to the State level.

I am afraid that if we are going to do what really needs to be done in this program, that the States are going to have to also be willing to help out. Even with the funding in H.R. 7, we are not going to be able to satisfy all of our needs. I don't believe that we are going to have that level of funding from the Federal Government. So, that is going to mean there is going to be an even greater need and States are going to have to also put the kind of priority on these programs that I think we have to put on them at the Federal level.

Thank you.

Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Goodling.

Mr. GOODLING. I only have one question I would ask. First of all, let me say to the school food service representative that, as usual, you folks are doing a good job. We appreciate it. We will do our best to help you to do a good job. We may have to ask you to do a good job with a little bit less or we may have to ask you to do a good job with the same, but we know you will do it no matter what. We will do our best to support you.

One question: If you must make choices, Ms. Litteer, where does the pregnant teenager fit in these choices, for instance, in relationship to a 4-year-old child or something of that nature in the WIC Program?

Ms. LITTEER. Prior to the new regulations, which, as I mentioned, had to be implemented June 1 of this year, the teenage postpartum would have probably been the first to go. The administration has issued new regulations which give States latitude and flexibility to prioritize the postpartum woman into either priority 3, 4, or 5.

I feel very certain many States will take that flexibility and put the teenage postpartum into priority 3's, but there again, that is priority 3 along with children, children with anemia and who maybe have other health problems associated with that. So it is going to be—they are going to be competing with priority 3 children.

Mr. GOODLING. When you say that prior to the new regulations they probably would have been the first to go, what was the thinking behind that decision? It seems to me they are the ones who are probably going to end up having the most children over a period of 30 years, 40 years?

Ms. LITTEER. I really am not sure what USDA's thinking was when they developed the priorities in the first place, but they did put postpartum women, all postpartum women, regardless of parity or prior histories or whatever problems during pregnancy into cate-

gory priority 6, and it was, I hope, at the insistence of many of us State directors and nutritionists across the country who deal with WIC that they have seen, perhaps, the error of their way and corrected it by giving States the flexibility.

We are appreciative of it, I know, and we will be implementing it in Texas, too.

Mr. GOODLING. Thank you, Mr. Chairman.

Ms. LITTEER. Thank you.

Chairman HAWKINS. Thank you, Mr. Goodling.

Again, the Chair wishes to thank the witnesses. It has been a very fruitful panel and we certainly appreciate all that you have brought to us.

Mr. Lemov, it is a pleasure to have you on that side of the table, as well as on this side.

Thank you.

[The prepared statement of the U.S. Catholic Conference follows:]

UNITED STATES CATHOLIC CONFERENCE,
DEPARTMENT OF EDUCATION,
Washington, DC, April 1, 1985.

Representative AUGUSTUS HAWKINS,
Chairman, Subcommittee on Elementary, Secondary and Vocational Education, House Education and Labor Committee, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We understand that the Subcommittee on Elementary, Secondary and Vocational Education has scheduled hearings on H. R. 7, the "School Lunch and Child Nutrition Amendments of 1985." We would like to bring to your attention a matter of serious concern regarding the participation of private school students in these programs.

Many Catholic high schools across this country are no longer eligible to participate in programs under the National School Lunch Act and Child Nutrition Act of 1966 as a result of the enactment in 1981 of an amendment proposed by the Office of Management and Budget to disqualify all private schools charging an annual average tuition of $1,500.00 or more from such participation. This amendment was adopted by Congress with little or no debate on its merits.

Since this tuition exclusion provision has been implemented, 212 Catholic secondary schools with a population of 144,533 students have been disqualified from participating in the school lunch and child nutrition programs. We expect that another 241 schools with a population of 207,414 students will be disqualified from participating by September 1986 because the tuition in these schools will have reached the $1,500.00 threshold. The school disqualification rate will slow down, but on the average, ten schools annually will be disqualified as the rate of inflation forces more and more of our high schools to raise tuition.

The apparent purpose of this proposal was to reduce Federal expenditures by removing subsidies for families which could afford to provide for the nutritional needs of their children. It was assumed that any family which could afford $1,500.00 for tuition to a private school could well afford to pay for a child's lunch. This is a false assumption, because there are many low income families making great sacrifices to send their children to private schools. What this provision did accomplish was to interject a distinction between public and private school students in determining who would benefit from the National School Lunch and Child Nutrition Acts. We believe this provision is discriminatory and should be removed. Arguments can be made on several levels to support our position.

Catholic schools which charge $1,500.00 or more in tuition do not exclude children of lower-income families whose need for subsidized child nutrition benefits clearly are justified. These children are automatically disqualified from the programs simply because their families have made the extra sacrifice to seek out education in a private school. On the other hand, children of wealthy families residing in exclusive upper-income communities who attend public schools in those areas remain qualified to receive benefits.

Establishing the tuition limitation provision at the arbitrary sum of $1,500.00 will eventually exclude many more private schools from participating in the school feeding programs. Thus, while thousands of students are disqualified from the lunch

program because they attend a private school which charges $1,500.00 or more annually for tuition, students attending public schools whose average annual per pupil cost is $2,917.00, still enjoy the benefits of the lunch program. This is both unfair and discriminatory.

Since this provision was enacted, we have raised the issue on various occasions within the Congress. For the past four years we have had the sympathetic ear of many members of your Committee. As you know, the late Chairman held special hearings on this issue and introduced a bill to remove this provision. We are hopeful that the Committee will reconsider this issue once again in dealing with H.R. 7, the "School Lunch and Child Nutrition Amendments of 1985." We urge you and members of your Committee to remove this discriminatory provision so that the children attending private schools may be treated on an equitable basis with those attending public schools with respect to the provisions of child nutrition services.

Mr. Chairman, thank you for your concern and consideration. We respectfully request that our letter be made part of the record of the hearings on H.R. 7.

Sincerely,

Rev. THOMAS G. GALLAGHER,
Secretary for Education.

[The prepared statement of Agudath Israel of America follows:]

AGUDATH ISRAEL OF AMERICA,
COMMISSION ON LEGISLATION & CIVIC ACTION,
New York, NY, March 29, 1985.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Subcommittee on Elementary, Secondary and Vocational Education, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We learned this week that the Subcommittee on Elementary, Secondary, and Vocational Education has scheduled a hearing on H.R. 7, the School Lunch and Child Nutrition Amendments of 1985. A member of the subcommittee staff invited Agudath Israel of America to submit written testimony. We appreciate the opportunity.

Agudath Israel, which speaks for the more than 500 Orthodox Jewish elementary and secondary nonpublic schools throughout the United States, has already provided you with an analysis of the Administration's Fiscal Year 1986 budget proposal as it relates to Child Nutrition Programs. Inasmuch as the issues addressed by H.R. 7 are inextricably linked with budgetary considerations, a copy of our statement is attached for your further review.

In general, Federal aid on behalf of elementary and secondary education is directed toward specified groups of eligible students regardless of the type of school they attend. This has been particularly true with respect to child nutrition legislation since the enactment of the National School Lunch Act in 1946. However, this pattern was dramatically altered when the 97th Congress amended the Act as part of the Omnibus Budget Reconciliation Act of 1981 to disqualify any nonpublic school charging an average annual tuition of $1500 or more from participating in the program.

In adopting this amendment, Congress obviously assumed that a family whose child attends a nonpublic school charging $1500 or more can afford to provide for the child's nutritional needs. That assumption, however, does not comport with reality. It fails to take into consideration the great sacrifices made by many low-income families to obtain the education they believe is best suited to their children's needs. Moreover, at least in the context of the schools we represent, our yeshivos do not exclude children from low-income families who cannot afford to pay full tuition. Given the scholarship programs available, it is clear that tuition rates in nonpublic schools do not reflect the economic circumstances of the students' families.

The tuition exclusion provision is therefore arbitrary because it fails to consider the economic composition of the school's student body. Students from low-income families are excluded from participation solely because of the tuition rate charged by the school. Wealthy public school students, however, remain eligible to participate. Note that according to the National Center for Education Statistics, the current annual average expenditure per public school child is $2,948, almost double the $1500 nonpublic school tuition limitation.

We commend you for appreciating how unrealistic the $1500 tuition cap is. Our preference would be that the cap be removed entirely because, as stated above, the assumptions upon which such limitation was based are incorrect. Moreover, it is poor public policy to retain a precedent which precludes nonpublic school participation in a Federal program on the basis of tuition rate.

If, however, Congress is committed to retaining a tuition cap, at a minimum the cap must be raised. The $2500 limitation in H.R. 7 is a far more realistic figure than that which exists under current law.

The Omnibus Budget Reconciliation Act of 1981 also terminated the Food Service Equipment Assistance Program under which the U.S. Department of Agriculture provided eligible institutions with financial and technical assistance to acquire food service equipment.

The termination of this program has adversely affected the growth of the lunch program generally in poverty areas. The Food Service Equipment Assistance Program was often an incentive for a school to institute the lunch program without having to expend its own limited financial resources. Moreover, some school lunch programs are currently using relatively old and obsolete equipment in need of constant repair. We would therefore welcome the return of this worthwhile program and enthusiastically support its inclusion in the bill.

Mr. Chairman, we respectfully request that this letter be entered into the record of hearings on H.R. 7.

Thank you for your concern and consideration.

Sincerely,

STEVEN PRAGER,
General Counsel.

Enclosure.

STATEMENT OF AGUDATH ISRAEL OF AMERICA ON PROPOSED CUTS IN CHILD NUTRITION PROGRAMS

Agudath Israel of America, which is the governmental representative for the more than 500 Orthodox Jewish elementary and secondary nonpublic schools throughout the country, has carefully analyzed the Administration's Fiscal Year 1986 budget proposal as it relates to Child Nutrition Programs. We, along with other Americans, share the Administration's concern over the size of the federal budget. Nevertheless, we do not agree that Child Nutrition Programs should be disproportionately cut.

The 1981 Omnibus Budget Reconciliation Act made changes that considerably reduced funding for child nutrition programs. Included were reductions in Federal meal subsidies, alterations in income eligibility for free and reduced price meals, termination of the food service equipment assistance program, a restriction on participation by nonpublic schools where average annual tuition exceeds $1,500, changes in the application process, and other limitations on program participation. As a result, some 2,700 public and nonpublic schools nationwide terminated their participation in the program affecting about 3.2 million children, approximately one third of whom were from low income families.

The Administration now proposes a further $684 million or 17 percent reduction in child nutrition programs, $497 million of which would be cut from the National School Lunch Program through program cuts and a freeze in food price inflation adjustments. This may drive an additional 8,000 schools and 6 million students from the program.

The lunch program is particularly important for Orthodox Jewish parents, who already shoulder the burden of expending large sums for such basics as kosher food and tuition for yeshiva education. Moreover, youngsters attending yeshivos have a school day that is 3 to 4 hours longer than youngsters in other schools. A hot nutritious lunch, therefore, takes on increased importance.

The Commission on Legislation and Civic Action of Agudath Israel, therefore, respectfully requests consideration of the following:

Agudath Israel and the yeshivos it represents strongly oppose the elimination of federal cash and commodity reimbursement for students with family income above 185 percent of the poverty line. This part of the Administration's proposal would lower the federal subsidy by 24 cents per meal for approximately half of all lunches served nationwide and would, therefore, jeopardize the very existence of the National School Lunch Program.

What the Administration calls a "high income subsidy" is actually a grant-in-aid that supports the program's infrastructure and helps to meet fixed overhead expenses. Eliminate the grant and a school may lose the kitchen, staff, and equipment that feeds all its students, including poor children. Those schools with the highest proportion of paid lunches (or lowest proportion of free and reduced-price lunches) will be most dramatically affected by the elimination of the paid subsidy, and thus at great risk of terminating the program entirely.

We oppose the one year freeze on the annual cost of living adjustments in Federal reimbursements for the School Lunch, School Breakfast, and Child Care Food Programs.

Based on an inflation estimate of 5 percent, such a freeze would translate into a cut to participating schools of 6 cents per free meal and 4 cents per reduced-price meal served. Schools will therefore be forced to absorb higher meal costs while still maintaining required nutritional standards. The freeze would most severely impact schools which serve disproportionate shares of low and moderate income students.

We oppose the proposed termination of U.S. Department of Agriculture administration of the Summer Food Program in those states which are not prohibited by law from administering the program themselves. Though we agree that it would be far better if all states administered this program, it must nevertheless be noted that the program is a Federal program with final responsibility to our nation's children in USDA. The only group that would suffer were this proposal enacted would be the children now participating in the program.

We strongly support H.R. 7 which would restore some $200 million in child nutrition funding and make other important improvements in the programs. Most important to our constituency is Section 7 of the bill which would permit a nonpublic school to charge a maximum average tuition of $2500 (up from $1500) and yet participate in the lunch program.

The 1981 Omnibus Budget Reconciliation Act, combined with inflationary annual increases, have negatively affected the financial viability of the lunch program. The Administration's proposed FY 1986 budget will further threaten the program in many yeshivos. This would be a tragic development for the nutritional well-being of our children and for the program as a whole.

We, therefore, urge you to use your good offices to maintain the program so that it may continue to serve our nation's children.

Chairman HAWKINS. That concludes the hearing this morning.

[Whereupon, at 11:30 a.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.]

[Material submitted for inclusion in the record.]

PREPARED STATEMENT OF HON. PAT WILLIAMS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA, REGARDING THE SCHOOL LUNCH AND CHILD NUTRITION AMENDMENTS OF 1985

Thank you for the opportunity to clarify the amendment to the National School Lunch Act contained in Section 18 of the School Lunch and Child Nutrition Amendments of 1985; an amendment which I originally introduced during the 98th Congress. This amendment adds a new section to the National School Lunch Act that permits automatic eligibility for free lunch and breakfast for those children who are members of households receiving assistance under the food stamp program or members of an AFDC assistance unit under part A of Title IV of the Social Security Act.

The purpose of this amendment is to allow for the least burdensome and least expensive application and verification procedures under the free lunch and breakfast programs. This amendment is also intended to protect the privacy of families of individuals participating in the free lunch and breakfast programs by requiring their permission to use their AFDC or food stamp eligibility as criteria for participation in the free lunch and breakfast programs.

This amendment is intended neither to increase nor decrease the number of children eligible for the free lunch and breakfast programs. Furthermore, this amendment will not affect the pool of children who are subject to any verification procedures, although it will simplify verification procedures for those children who qualify for the free lunch and breakfast programs.

At this point, I would like to clarify, without changing the substantive intent, the applicability of the phrase "standard of eligibility" (page 16, line 24 of the bill) to the AFDC program. For purposes of the AFDC program, the "standard of eligibility" is the payment standard rather than the standard of need (in those states where the two standards are not the same). Because the food stamp program already includes a "standard of eligibility", no clarification in the legislative history is needed.

I would also like to simplify the second sentence in my amendment which begins on page 17, line 1 of the bill. The sentence in the bill includes a reference back to the "preceding sentence". I would encourage the Committee to make the following technical change: "For the purposes of any verification under paragraph (2)(C), proof of receipt of either food stamps or AFDC shall be sufficient."

PREPARED STATEMENT OF THE NATIONAL EDUCATION ASSOCIATION AND THE NATIONAL PTA

Mr. Chairman, the National Education Association and the National PTA submit this joint statement in strong support of the School Lunch and Child Nutrition Amendments of 1985 (H.R. 7). We believe this legislation will provide an important first step in reaffirming our national commitment to eradicating the problem of hunger and malnutrition among our children.

Numerous studies have been conducted on the impact of hunger and malnutrition on children. Most studies conclude that hungry and malnourished youngsters have shorter attention spans, lowered concentration, and reduced learning abilities. More dramatic findings indicate that hunger and malnutrition are slow but decisive killers. The studies on children conclude that hunger dulls the mind, malnutrition erodes health, and both retard the quality of life we envision for our children. Therefore, NEA and PTA believe our national agenda must reflect a strong and continuing commitment to adequate child nutrition.

IMPACT OF ADMINISTRATION'S BUDGET CUTS

The Omnibus Budget Reconciliation Act of 1981 made sweeping funding cuts and revisions in child nutrition programs for which we continue to pay—four years later—in increased numbers of inadequately nouriahed children. The School Lunch, School Breakfast, Summer Food, and Child Care Food programs were reduced 29 percent between FY82 through FY85. Over that four-year period funding for these programs was cut by over $5 billion.

The largest cuts were made in federal support for reduced price lunches served to near-poor children, and the number of children receiving school lunches each day fell by about 2.5 million. The number of low-income children receiving free or reduced-price school lunches dropped by close to 700,000. More than 2,700 schools have dropped out of the program and free lunches are no longer available to children who need them. These cuts were made largely by reducing the income limits for free and reduced-price lunches and by cutting back on federal contributions to support the lunch program. The School Breakfast program which was cut 20 percent caused one-half million children—two thirds of these were low-income children—to stop receiving breakfasts.

Federal funding cuts also hurt the Child Care Food program, which helps defray the cost of meals provided to children who are in day care. Nearly $130 million a year was cut from federal support for meals served to children in day care centers and homes. These children are now limited to two meals and one snack each day, regardless of the time they spend in day care, which can exceed eight hours. The combined effects of these and other cuts in federal support programs for low-income day care facilities, including the Social Service Block Grant and the Comprehensive Employment and Training Act, have forced some day care facilities to close and some to raise fees charged to low-income parents. Others have reduced the number of children in care or lowered the quality of care provided.

Budget reductions have terminated lunches for 400,000 children under the Summer Food program, which continues the School Lunch program in some low-income areas when school is out. In 1981 it suffered a 20 percent cut in funding. All summer food programs previously operated by churches and religious organizations, YMCAs and YWCAs, boys' and girls' clubs, settlement houses, and similar nonprofit organizations were terminated. Only programs operated by school systems or state and local governments were allowed to remain in operation.

While Congress has protected the Special Supplemental Food Program for Women, Infants, and Children (WIC) from outright cuts, the program is still underfunded and reaches only 3.1 million people, or about one-third of those eligible to participate.

LEGISLATIVE REMEDY TO RESTORE CHILD NUTRITION BENEFITS

Mr. Chairman, the Congress has an opportunity—indeed a responsibility—to reverse this tragic situation. It is imperative that our national government review its commitment to the country's children and revitalize our child nutrition programs. The National School Lunch and Child Nutrition Amendments of 1985 (H.R. 7) is an important step in this direction. It would reauthorize five expiring child nutrition programs: (1) Special Supplemental Program for Women, Infants, and Children (WIC); (2) Nutrition Education and Training (NET); (3) Summer Food Service Programs; (4) State Administrative Expenses (SAE); and (5) Commodity Assistance—Section 14 of the National School Lunch Program. Additionally, H.R. 7 would re-

store about one-seventh of the child nutrition cuts enacted in 1981 by lowering the cost of reduced-price school meals served to near-poor children, removing restrictions preventing day care centers and homes from serving more than two meals and a snack a day, and taking high medical costs into account in determining a family's eligibility for free or reduced-price meals. In addition, H.R. 7 requires that the nutritional content of feeding programs by upgraded and provides additional federal support to accomplish this goal.

CONCLUSION

NEA and PTA support enactment of the School Lunch and Child Nutrition Amendments of 1985 (H.R. 7) as a critical link in the process of restoring the effectiveness of child nutrition programs prior to 1981. Some 7.5 million teachers, school employees, and parents—our combined membership—know first hand of the importance of these programs. Our children are our greatest resource and hope of the future. Let us begin now—with enactment of H.R. 7—to ensure their health and well-being. We believe the health and nutrition of our children should occupy a place of priority on our national agenda.

PREPARED STATEMENT OF THE MARCH OF DIMES BIRTH DEFECTS FOUNDATION

The March of Dimes Birth Defects Foundation is pleased to have this opportunity to comment on legislation to reauthorize the Supplemental Food Program for Women, Infants and Children (WIC).

Prevention of birth defects has been the goal of the March of Dimes for more than a quarter century. The March of Dimes was founded by President Franklin D. Roosevelt in 1938 to combat polio. We celebrate this month the 30th anniversary of the conquest of polio by Drs. Jonas Salk and Albert Sabin.

In 1958, the March of Dimes (MOD) turned its attention to the group of diseases which constitutes the nation's single largest child health problem—birth defects. The MOD defines a birth defect as an abnormality of structure, function or metabolism, whether genetically determined or a result of environmental influence during embryonic or fetal life. Low birthweight is included within this definition. Today, the March of Dimes is a major contributor to such fields as perinatalogy, genetics, prenatal diagnosis and treatment, and education and community services promoting maternal and infant health. With regard to the latter, a special emphasis is placed on reducing the incidence of low birthweight babies.

The subject of low birthweight babies in the U.S. has received a great deal of publicity recently. The publicity has been caused, in part, by a report issued this past February, by the Institute of Medicine (IOM), a part of the National Academy of Sciences. The report, entitled "Preventing Low Birthweight," summarizes the findings of an interdisciplinary committee established to study prevention of low birthweight. The March of Dimes is pleased to have been able to be a partial funder of the committee and the dissemination of its findings.

The IOM panel concluded that the prevention of low birthweight could contribute significantly to a reduction in infant mortality in the United States, and, more generally, to improved child health. Some of the report's findings are highlighted in the following data:

Of the 3.6 million infants born each year, nearly 7 percent or 250,000 are LBW weighing less than 5½ pounds.

LBW is a leading factor in childhood disability and the greatest cause of death in the first year of life.

Children born with low birthweight may suffer from slower mental and physical development, respiratory, heart, kidney or nervous system disorders.

Two-thirds of all infant deaths occur among LBW babies and the incidence of handicap among the survivors is high. In fact, the National Institute of Child Health and Human Development estimates that the direct costs for neonatal intensive care of these infants exceed $2 billion annually.

The IOM panel examined the effect of nutrition during pregnancy on birth outcomes. The panel concluded that good nutrition has a positive influence on birthweight. Evaluation studies have shown that WIC increased birthweight among babies of participating women. The results also seem to indicate that longer periods of participation in the program during pregnancy are associated with greater weight gains. In fact, in its report the panel recommends that "nutritional supplementation programs such as WIC be part of a comprehensive strategy to reduce the incidence

of low birthweight among high-risk women and that such programs be closely linked to prenatal care."[1]

The WIC program, by providing nutritional supplemental foods to pregnant women, significantly increases birthweight, thereby reducing the incidence of LBW and its associated complications. WIC is one of the best federal programs available to reduce the incidence of LBW because it is a unique food assistance and health services program. It not only provides food assistance worth approximately $30 per month per pregnant woman, but it also brings WIC participants into the health care system. It may be one of the most successful national strategies to get poor women into prenatal care; the single most important step to having a healthy baby. In addition, it provides nutrition education and counseling which stresses the importance of good nutrition during pregnancy. Each component of WIC contributes significantly to the improved outcome of pregnancy for millions of needy pregnant women.

COST EFFECTIVENESS OF WIC

The MOD recognizes that Congress and the Administration are facing serious deficit reduction problems. To this end, MOD would like to point to the cost-effectiveness of the WIC program.

This cost effectiveness is well documented. A Harvard School of Public Health study concluded that for every $1.00 spent in the prenatal care component of WIC, $3.00 are saved in hospitalization costs as a result of the reduced number of low birthweight infants requiring expensive neonatal care.[2]

In 1984, the General Accounting Office (GAO), at the request of the Senate Agriculture Committee, evaluated the current WIC studies to judge their reliability. Prenatal participation in WIC was related to reductions in the incidence of low birthweight ranging from 16–67 percent. While some of the studies were questioned, GAO concluded that participation in WIC is associated with a 16–20 percent decrease in the proportion of LBW infants born to women eligible for WIC.

WIC and its ability to reduce the incidence of low birthweight is especially important in areas of high infant mortality and low birthweight. Incidence of infant mortality and low birthweight are particularly high in the Southern states. Last year, the Southern governors formed a Task Force on Infant Mortality, headed by Governor Richard W. Riley of South Carolina. Governor Riley was responding, among other things, to the fact that South Carolina has one of the highest infant mortality and low birthweight rates in the country. The District of Columbia has the highest incidence of LBW at 13.3 percent per 1000 live births, South Carolina is second with a rate of 8.9 percent, followed closely by Mississippi with a low birthweight rate of 8.8 percent. The national average of LBW is almost 7 percent and the U.S. Surgeon General has called for reducing the national average to 5 percent by 1990.

In its report, the IOM concludes that "the birth of LBW infants imposes a large economic burden on our nation by contributing substantially to neonatal mortality, to disability among surviving infants, and to the cost of health care."[3] The report estimates some of the costs associated with health care for LBW babies in terms of initial hospital costs, rehospitalization during the first year, and long-term morbidity costs. The following figures relating to LBW babies come from this report.

Average neonatal intensive care charge per infant is $13,616 (a low estimate).

A substantial portion of LBW infants are rehospitalized in the first year of life: 38 percent of very low birthweight babies and 19 percent of moderately low birthweight. The cost of this per infant is $6026 and $4650, respectively.

Long-term costs are hard to estimate, but several studies are used in this report. One study calculated the average direct medical costs of caring for a non-institutionalized LBW with activity limitation to be $1405 per child. Another estimated that institutional care for developmentally disabled children is $359,124 per child.

The IOM report panel goes on to recommend that nutrition supplementation programs such as WIC be part of comprehensive strategies to reduce the incidence of LBW among high risk women. "Preventing LBW is an approach considerably less costly, both socially and economically, than additional investment in neonatal intensive care."[4] The MOD strongly supports this recommendation.

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[1] Committee to Study the Prevention of Low Birthweight, Institute of Medicine, "Preventing Low Birthweight," National Academy Press, 1985, p. 233.
[2] Kennedy, E.T., et al. "Evaluation of the Effect of WIC Supplemental Feeding on Birthweight": American Diet. Association Journal, March 1982.
[3] "Summary of Preventing Low Birthweight," p. 35.
[4] "Summary of Preventing Low Birthweight," p. 3.

The March of Dimes is deeply concerned about the reduction in the funding for the WIC program for FY 85 and the reduction in FY 86 funding proposed by the Administration. While it recognizes the need to address the problems arising from the budget deficit, the MOD would like to re-emphasize the cost-effectiveness of the WIC program. In fact, the MOD recommends that because full funding at the presently authorized level serves less than half of those eligible and in need, the full amount appropriated for FY 85—$1.5 billion—be released and allocated as soon as possible. Without the full funding for FY 85, over 200,000 WIC participants will be cut off the program in August and September, 1985.

For FY 86, the Administration again in its effort to reduce the deficit has recommended cutting the appropriation for WIC to $1.48 billion. This reduction, by the Administration's own estimate, would eliminate 100,000 people from the program. The Congressional Budget Office puts the figure at 175,000. Even a "freeze" at $1.5 billion (the FY 85 appropriation level) would amount to a cut for the WIC program because it would not cover the increases in food costs. In fact, it would mean eliminating 140,000 from the program. At a minimum, the MOD supports a WIC appropriation for FY 86 at least the current services level calculated by the Congressional Budget office to require an appropriation of $1.569 billion. This would allow the program to continue its present level of serving 3 million women, infants and children.

While the MOD understands and appreciates your concerns regarding the need to reduce the federal deficit, we believe that increased governmental emphasis on preventive health care will save money in the long run. To this end, the MOD recommends a modest increase in the WIC program, bringing the funding level to $1.7 billion for FY 86. Throughout its history, the WIC program has steadily expanded . . . approximately 300,000 people have been added each year. We urge that a modest expansion (as proposed in H.R. 7 introduced by Rep. Hawkins) be provided, so that more of those in need can be reached.

COUNCIL FOR AMERICAN PRIVATE EDUCATION,
Washington, DC, May 6, 1985.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the Council for American Private Education (CAPE) which represents, through its member organizations, about 80% of all private school students, I am writing in support of H.R. 7, the "School Lunch and Child Nutrition Amendments of 1985". We support your efforts to restore funding to School Lunch, School Breakfast and Child Care Food Programs and to improve the school breakfast meal pattern. We want to thank you for holding recent hearings regarding the reauthorization of four child nutrition programs and WIC.

Included in H.R. 7 is a provision which addresses a concern of particular importance to private education—the tuition limitation provision for determining private school participation in the school lunch programs. As you are well aware, in an amendment adopted in the 1981 Omnibus Budget Reconciliation Act, the focus of assistance was shifted for the first time from the student is private schools to the institution without any attention to the social or economic composition of the student body. The basic assumption is that students at such "high cost" schools which charge more than $1500 in tuition come from wealthy families and really are not in need of a government subsidized lunch. This is far from the truth. Hundreds of schools are spending millions of dollars annually on scholarship aid for needy students. The Administration's goal in the nutrition area was to curb growth in the programs while targeting the assistance to the lowest income families. The current tuition allowance hurts exactly the students the Programs are intended to benefit.

As you know, special hearings held during the last Congress by the late Chairman, Representative Carl Perkins, resulted in legislation introduced to eliminate this provision. In the Committee's final action, it accepted a minority proposal to increase the level of the tuition limitation to $2500 to provide temporary relief for most private schools.

In principal we object strongly to the idea that a private school's participation in any federal program should be based on its tuition charges. The federal programs involving private schools historically have been targeted for students, not schools, under the child benefit theory. The introduction of tuition as a limiting factor is a very ill-advised and misleading precedent and in our opinion it should not be perpetuated in this legislation. We support the elimination of the tuition limitation.

We respectfully request that this letter be submitted as part of the hearing record on child nutrition programs which are currently being reviewed by this Committee.

Thank you for your concern and consideration.
With all best wishes,
Sincerely,

ROBERT L. SMITH,
Executive Director.

CONSULTANT DIETITIANS IN HEALTH CARE FACILITIES,
April 6, 1985.

Hon. AUGUSTUS F. HAWKINS,
U. S. Representative,
Washington, DC.

DEAR CONGRESSMAN HAWKINS: As national Chairman-Elect and Legislative Co-Chairman of the Consultant Dietitians in Health Care Facilities, the largest and longest established of The American Dietetic Association, representing approximately 4,000 members, I would like to urge your support of three key legislative issues: child nutrition, WIC and the nutrition monitoring bill to be proposed in the 99th Congress.

CHILD NUTRITION

CD-HCF urges your support of HR 7 as introduced by Congressman Hawkins. As nutrition professionals, CD-HCF is seriously concerned with the potential ramifications the administration's budget will have on school children and the National School Lunch Program. With the $1.5 billion cuts in federal funding for child nutrition being passed by the 97th Congress, approximately three million children per day dropped out of the National School Lunch Program. With the currently proposed budget cuts in child nutrition, it is estimated that approximately 5-6 million children and 8,000-10,000 schools will be forced to drop out of the National School Lunch Program. Proponents of the cuts argue the cuts would only impact the "affluent" $19,000 and above income families. However, the $.25 that is currently proposed to be cut is used to support the entire National School Lunch Program, not just one segment. With a further reduction in volume, schools will be unable to justify preparing food and maintaining personnel and equipment.

CD-HCF would offer an alternative for consideration by Congress through encouraging support of S 308 which would amend the Internal Revenue Code of 1954 to reduce the deduction for business meals and to earmark the savings from such a reduction for the child nutrition programs.

WIC

The administration is proposing $1.424 billion for WIC in fiscal year 1985 and $1.48 billion for fiscal year 1986. While media efforts portray the budget as "maintaining current services" in WIC, it actually represents a cut for both years.

With the administration's budget, approximately 237,000 low income pregnant women, infants and children at risk nutritionally would have to be cut from the program in the last three months of fiscal year 1985. In fiscal year 1986 the program would serve 175,000 fewer women, infants and children than if it were maintained at current service levels.

NATIONAL NUTRITION MONITORING

CD-HCF understands Representatives MacKay, Brown and Walgren will be introducing a substantially revised 99th Congress version of HR 4684 "National Nutrition Monitoring and Related Research Act of 1984". If you have had an opportunity to receive a copy of the draft, I would appreciate receiving your input on the bill.

CD-HCF supports legislation to establish a coordinated National Nutrition Monitoring Program so that linkages between food consumption, nutrition status and health status can be used to make sound public policy decisions.

In summary, CD-HCF would urge your support of maintaining funding at the current level for child nutrition programs and the WIC program. Nutrition programs represent only .1% of the federal budget, yet they have incurred a 33% reduction in funding. CD-HCF supports fiscal responsibility and a balanced budget, but when recovery of tax subsidies through corporate entities would more than offset the proposed budget cuts, it is difficult to understand or accept such a disproportionate share in budget cuts for such important programs.

We appreciate your interest and diligent efforts in this regard, and I will look forward to hearing from you.

Sincerely,

JUDY FORD STOKES, R.D.,
Chairman-Elect, Legislative Co-Chairman.

THE AMERICAN DIETETIC ASSOCIATION,
Chicago, IL, April 15, 1985.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor,
Washington, DC.

DEAR CHAIRMAN HAWKINS: Thank you for introducing H.R. 7, the School Lunch and Child Nutrition Amendments of 1985, in the 99th Congress. The American Dietetic Association (ADA) endorses your proposals to combat hunger in America, alleviate the problems caused by recent funding cuts in child nutrition programs, increase the effectiveness of these programs through administrative reform, and conduct studies upon which policy decisions can be made to meet emerging needs of our nation's children.

ADA's 50,000 members share your deep concern about the fate of child nutrition programs under this Administration. To ask that these programs bear more than their fair share of cuts to reduce the deficit—especially in light of the Congressional Research Service analysis provided to your Committee, and the long way we have to go before meeting the 1990 goal for reducing infant mortality—seems shortsighted. ADA has asked our national grassroots network to continue lobbying Senators, especially members of the Budget Committee, to hold the line on cuts in these programs, and to demonstrate the harm that previous cuts have caused in the Senators' home states.

On March 20, the ADA Board of Directors endorsed The American School Food Service Association's "1985 Legislative Issue Paper" (copy enclosed). Many of the provisions supported in the paper are included in your bill; we are grateful that your ideas for meeting the nutritional needs of children mesh with our own.

We would appreciate your inclusion of this letter in the record for the hearing you conducted April 2. Please do not hesitate to call on us if we can assist you to meet our mutual objectives for this issue. In Washington, we are represented by Latham, Watkins & Hills: Cindy Witkin, M.P.H. R.D., may be reached at (202) 828-4400. Our Government Affairs office is currently located at our headquarters in Chicago: Cathy Babington, M.B.A., R.D., Assistant Executive Director, may be reached at (312) 280-5068.

Once again, our heartfelt thanks.

Sincerely yours,

DONNA R. WATSON, R.D.,
President.
JULIAN F. HAYNES, Ph.D.,
Executive Director.

Enclosure.

[Endorsed by the American Dietetic Association Board of Directors, Mar. 20, 1985]

THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, 1985 LEGISLATIVE ISSUE PAPER

BACKGROUND AND INTRODUCTION

The American School Food Service Association (ASFSA) is a nonprofit association of approximately 60,000 members who are responsible for planning, preparing, and serving school meals. As such, ASFSA is vitally concerned about the health and nutritional well-being of the nation's children.

Child Nutrition was an active area in the 97th and 98th Congressional sessions. In the 97th Congress, federal funding for child nutrition was reduced by one-third, or approximately $1.5 billion. As a result, participation in the National School Lunch Program declined by approximately 3 million children per day. Almost one million of these three million children were poor children who had formerly received a free or reduced-price lunch. In the 98th Congress, various proposals to restore funding, as well as legislation to enact additional cuts, all failed.

On February 4, 1985, as part of the 1986 budget, President Reagan proposed to further reduce federal support for child nutrition by $686 million, in addition to a "freeze" of those reimbursement rates that would continue to exist. The American School Food Service Association (ASFSA) having met to consider the current issues

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facing the federal Child Nutrition Programs, and with the events of recent years in mind, respectfully requests that the Congress consider the following positions:

PROGRAM REAUTHORIZATION

1. ASFSA supports a four-year extension of the several Child Nutrition Programs whose authorizations expire at the end of the current fiscal year: The Nutrition Education and Training Program, the Summer Food Service Program for Children, the Commodity Distribution Program, and the provision for State Administrative Expenses (SAE) expire on September 30, 1985. All other Child Nutrition Programs, including the School Lunch Program and the School Breakfast Program, are permanent.

GENERAL ASSISTANCE SUPPORT

2A. ASFSA strongly opposes the elimination of cash and commodity support based upon the participation of students with family income above 185 percent of the poverty line. This proposal would lower the federal subsidy by 24¢ (cents) per meal for approximately half of all the lunches served nationwide and would, therefore, jeopardize the very existence of the National School Lunch Program.

The rationale for the Administration's proposal is that this support is an "upper income subsidy" and cannot be justified. The characterization of federal support received by local schools under Section 4 of the National School Lunch Act as an "upper income subsidy" indicates a lack of understanding of how the program operates at the local level, how the funds are used, and of the differences between the school lunch program and a welfare program.

The so-called "high income subsidy" is not a transfer payment to individuals but is a grant-in-aid to schools to support the basic infrastructure of the school lunch program. It helps to meet other relatively fixed overhead expenses. Without this support, many school districts could not afford to participate in the National School Lunch Program, thereby depriving all children in the community, including poor children, of the nutritional value of the program.

It is conservatively estimated that 5 to 6 million children and 8,000 to 10,000 schools will be forced from the National School Lunch Program if the proposed cuts are enacted.

2B. As part of its proposal to eliminate school lunch general assistance, the Administration is seeking to lower the reimbursement rate for free and reduced-price lunches by approximately 12¢ (cents) and substitute USDA commodities for this cash support. While this proposal would maintain the current level of total commodity purchases nationwide, the restructuring of the nature of the federal support for free and reduced-price school lunches will cause major disruptions at the local level.

NATIONAL COMMODITY PROCESSING

3. ASFSA supports, as an indispensable element of the commodity program, the National Commodity Processing program to work in conjunction with state processing so that schools throughout the country may derive the full benefits of the Program.

TURNBACK TO STATES

4. ASFSA opposes eliminating the requirement that USDA directly administer Child Nutrition Programs in states that do not have a legislative prohibition agreement against this activity. The only one to be penalized in this situation would be the children now participating in a federal nutrition program. True, it would be ideal if states administered all programs, but the Child Nutrition Programs are national programs. To deprive a minority of children these benefits would not be in the best interest of the nation's children.

CHILD CARE FOOD PROGRAM

5. ASFSA supports the continuation of the Child Care Food Program as currently authorized. Additional eligibility qualifications should not be incorporated until proven cost effective.

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NUTRITION EDUCATION AND TRAINING PROGRAM

6. ASFSA supports the original concept of 50 cents per child per year for the purpose of nutrition education for students and ongoing training for food service personnel.

H.R. 7 (HAWKINS)

7. ASFSA supports the provisions contained in H.R. 7. In 1984, the House of Representatives, by a vote of 343-72, passed H.R. 7, which would have restored some $200 million in child nutrition funding and made other important improvements in the programs. In the Senate, a companion bill was introduced, as was legislation by Senator Rudy Boschwitz (R-Minn.), that would have restored approximately $100 million in child nutrition funding. ASFSA supported these bills and continues to support the provisions that were contained in them as a statement of nutritional need.

Chairman Augustus Hawkins, House Education and Labor Committee, reintroduced H.R. 7 on January 3, 1985.

JEFFORDS AMENDMENT: COMPETITIVE FOOD SALES

8. ASFSA supports the strict regulation of competitive foods and passage of the "Jeffords" amendment. Current law allows the sale of competitive foods, found by the Secretary to be nutritionally satisfactory, only "if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the school." The Jeffords amendment would complement this section by providing that "A school or food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless such company agrees to offer free, reduced-price, and full-price reimbursable meals to all eligible children."

S. 308 (HART)

9. ASFSA supports S. 308, which would amend the Internal Revenue Code of 1954 to reduce the deduction for business meals and to earmark the savings from such reductions for the Child Nutrition Programs. This legislation, which will leave no impact on the federal budget, will substantially restore funding to the level that existed prior to the 1981 cuts.

STATE ADMINISTRATIVE EXPENSE FUNDING

10. ASFSA supports adequate state Administrative Expense Funding (SAE) for state administration of quality Child Nutrition Programs. We would oppose any effort to reduce SAE funding to the states.

NUTRITION PROGRAMS FOR ELDERLY

11. ASFSA supports the use of school food facilities, equipment, and personnel to assist nonprofit nutrition programs for the elderly.

FEASIBILITY STUDY

12. ASFSA urges the Congress to undertake a feasibility study or pilot project on all the various methods of operating a self-financing school lunch program for all children.

STATEMENT FOR THE RECORD ON H.R. 7 "THE SCHOOL LUNCH AND CHILD NUTRITION AMENDMENTS OF 1985"

Bread for the World, the national Christian citizens' lobby on hunger issues, supports the increases in child nutrition assistance provided by H.R. 7, The School Lunch and Child Nutrition Assistance Amendments of 1985. This bill—and its companion, the Comprehensive Nutrition Assistance bill introduced April 1st by Rep. Mickey Leland, Chair of the House Select Committee on Hunger—would partially restore 1981 cuts in child nutrition programs that have been particularly harmful to poor children. Children are a growing proportion of the poverty population: one out of four US children—half of all Black children—live in families whose incomes are below the official poverty level. Increased nutrition assistance is critical for these poor children.

We were disappointed that this same bill, which the House passed 343-72 last year, was stalled in the Senate and did not become law. If it had, needy children and pregnant women, new mothers and infants would already be receiving the increased benefits. The preventive health aspects of providing nutritious foods to this vulnerable age group could now even be saving money on medical costs which would have been unnecessary if there had been adequate nutrition.

This subcommittee has worked hard for many years to assure that children would have access to nutritious meals in schools and other institutional settings. You also have had primary responsibility for steadily expanding the Special Supplemental Food Program for Women, Infants, and Children (WIC). Despite the Reagan administration's attempts to cut the program each year, WIC has grown by about 1 million participants since 1981. But it still serves only 3.1 million out of an estimated 10 million nutritionally vulnerable pregnant women, new mothers, infants and children.

H.R. 7 would reauthorize the program through fiscal year 1988 and would allow for modest WIC increases of about 250,000 people a year. We would prefer a more rapid increase in WIC participation to reach women, infants and children now nutritionally "at risk" but unable to get WIC benefits because the program lacks adequate funding. Bread for the World feels strongly that WIC should be an entitlement program. We were disappointed that a phased-in entitlement provision was dropped from last year's bill, and we encourage you to consider adding it to the current bill. Such a common sense provision would indicate the government's firm commitment to preventing nutritional inadequacy at this critical stage of a child's life.

Bread for the World members will encourage their representatives to co-sponsor H.R. 7 and to vote for the bill when it comes to the floor.

PREPARED STATEMENT OF THE AMERICAN ACADEMY OF PEDIATRICS

The American Academy of Pediatrics submits this statement on the WIC reauthorization in H.R. 7, to be included in the record of the House Committee on Education and Labor, Subcommittee on Elementary, Secondary and Vocational Educational hearing on H.R. 7 on April 2, 1985.

The Academy supports the reauthorization of the five programs included in this legislation—the summer food service, commodity distribution, nutrition education and training, state administrative expenses, and WIC programs. We also applaud the vital restorations to the school feeding programs included in H.R. 7. The Academy specifically wants to address the issue of the WIC reauthorization and the establishment of adequate authorization levels that will ensure much-needed service to low-income women, infants and children.

During the late 1960s and early 1970s there were several local, regional and national surveys of child health and nutritional status. These surveys, such as the Memphis Survey by Paul Zee and his co-workers, the Ten State Regional Survey and the National Health and Nutrition Evaluation Survey, found that there was an unacceptable proportion of children in this nation who were undernourished by standards of retarded growth and such specific deficiencies as iron deficiency anemia. In response to these surveys, Congress enacted the WIC program in 1972 to specifically deal with the nutritional deficiencies found in those studies. An important part of the survey material was the close correlation between the proportion of people found to be undernourished and their level of poverty. Therefore, the WIC program focused specifically on those economically deprived women, infants and children. It further focused on those at greatest risk, that is, the developing infant and the pregnant and lactating mother. Since its inception, the WIC program has grown considerably from $20 million in fiscal year 1974 to more than $1 billion in fiscal year 1983. In 1983 the WIC program served about 3 million participants.

The advantages of this specific nutritional supplementation program are several. In the first place, it addresses a population of people who are at specific risk for nutritional deficiencies and for whom nutritional deficiencies pose particular problems. The program was designed to be supplementary and certainly must be taken into consideration with other feeding programs, such as the food stamp program. This particular supplementary program allows for the design of specific food packages to address the particular needs of pregnant and lactating women and developing infants and children. Finally, the program was always designed to be a part of the larger program of health care and specifically designed to incorporate the services of the health care facilities of the community.

One of the questions that must be asked at this time has to do with the effectiveness of the WIC program. From the enactment of this legislation an evaluation

system was mandated. This need for evaluation has continued throughout the span of the program. In spite of the many attempts to evaluate the program, it must be admitted that there are no definitive or conclusive evaluation studies available at this time. However, there are many indications that the WIC program has been at least partially effective in addressing problems found in the late 1960s and early 1970s. One can compare, for example, the results of the early surveys, mentioned above, with the most recent survey, the National Health and Nutrition Evaluation Survey Two, which was conducted during the years 1976 to 1980. It can be seen by comparison that the frequency or prevalence of nutritional anemia and growth retardation has been reduced in comparison to the early survey. These studies cannot be exactly compared because the populations were somewhat different, but certainly it is one indication that the health status, from a nutritional standpoint, has improved. It is also important to use the results of the most recent General Accounting Office (GAO) Survey of studies evaluating the WIC program. As this GAO report indicates, if one looks at the results of the Centers for Disease Control and the Edozien studies, there is a decrease in the prevalence of anemia in children who participate in the WIC program. Admittedly, these studies are not definitive, but as the GAO report indicates, all of the studies that are available do favor a definite improvement in nutritional status with participation in the WIC program. Currently, the United States Department of Agriculture is awaiting the results of another survey of WIC program effectiveness and it will be important to review the results of that particular survey in the coming months.

With respect to the reauthorization of this program, we would strongly urge the WIC program be continued. We would urge that the WIC program continue to be a program of prevention rather than treatment. We would favor a program in which the population at high risk for nutritional deficiencies be identified and the appropriate food packages be provided, so that nutritional deficiencies do not result. An eligibility program which would allow administration of the WIC program only to those people in whom deficiencies were already demonstrated would defeat the purpose of this truly preventative nutritional program. We would recommend that the target population continue to be identified primarily on the basis of their economic status as well as the other risk factors which might indicate the increased likelihood of nutritional deficiency. We would recommend that the WIC program be reauthorized for a three year period. We do not favor a mere extention of the WIC program for one year. One of the real problems in the early days of the WIC program was the lack of stability due to the lack of a consistent funding pattern. At this time, WIC must be maintained as a stable, predictable program within the community. We also would recommend that the WIC program be maintained with its current independent funding pattern. We do not feel that the incorporation of the WIC program into a child nutrition block grant would be useful. We have commented in the past that this block grant form with state control would lead to inconsistency of implementation, variability in eligibility requirements from state to state, little if any control over the nature of the food package and certainly the lack of the opportunity for ongoing evaluation of the effectiveness of the WIC program. For all of these reasons we feel that the WIC should be continued as a categorical program.

AMERICAN HOME ECONOMICS ASSOCIATION,
Washington, DC, March 12, 1985.

Hon. AUGUSTUS HAWKINS,
Washington, DC.

DEAR CONGRESSMAN HAWKINS: This letter is written to support Child Nutrition Bill HR7, which would restore Federal funding for child nutrition programs to 1981 reimbursement levels. Restoration of Federal funds for programs such as the Child Nutrition Bill are ones that AHEA enthusiastically endorses.

Further, AHEA is opposed to reduction of funds in the National School Lunch Act, Section 4. School lunch funds go to support the health and well-being of our nation's children. This health and well-being is essential for the accomplishment of the education our population needs and deserves. Section 4 supports the school lunch program in a way that makes school lunch affordable to all children.

Our Association would appreciate being kept informed of the progress of Child Nutrition Bill HR7. If we can be of further assistance, please contact us.

Sincerely yours,

JOAN R. MCFADDEN, Ph.D.,
Executive Director.

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AGUDATH ISRAEL OF AMERICA,
COMMISSION ON LEGISLATION & CIVIC ACTION,
New York, March 25, 1985.

Hon. AUGUSTUS F. HAWKINS,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN HAWKINS: Agudath Israel of America, which is the governmental representative for the more than 500 Orthodox Jewish elementary and secondary nonpublic schools throughout the country, has carefully analyzed the Administration's Fiscal Year 1986 budget proposal as it relates to Child Nutrition Programs. We, along with other Americans, share the Administration's concern over the size of the federal budget. Nevertheless, we do not agree that Child Nutrition Programs should be disproportionately cut.

The 1981 Omnibus Budget Reconciliation Act made changes that considerably reduced funding for child nutrition programs. Included were reductions in Federal meal subsidies, alterations in income eligibility for free and reduced price meals, termination of the food service equipment assistance program, a restriction on participation by nonpublic schools where average annual tuition exceeds $1,500, changes in the application process, and other limitations on program participation. As a result, some 2,700 public and nonpublic schools nationwide terminated their participation in the program affecting about 3.2 million children, approximately one third of whom were from low income families.

The Administration now proposes a further $684 million or 17 percent reduction in child nutrition programs, $497 million of which would be cut from the National School Lunch Program through program cuts and a freeze in food price inflation adjustments. This may drive an additional 8,000 schools and 6 million students from the program.

The lunch program is particularly important for Orthodox Jewish parents, who already shoulder the burden of expending large sums for such basics as kosher food and tuition for yeshiva education. Moreover, youngsters attending yeshivos have a school day that is 3 to 4 hours longer than youngsters in other schools. A hot nutritious lunch, therefore, takes on increased importance.

The Commission on Legislation and Civic Action of Agudath Israel, therefore, respectfully requests consideration of the following:

Agudath Israel and the yeshivos it represents strongly oppose the elimination of federal cash and commodity reimbursement for students with family income above 185 percent of the poverty line. This part of the Administration's proposal would lower the federal subsidy by 24 cents per meal for approximately half of all lunches served nationwide and would, therefore, jeopardize the very existence of the National School Lunch Program.

What the Administration calls a "high income subsidy" is actually a grant-in-aid that supports the program's infrastructure and helps to meet fixed overhead expenses. Eliminate the grant and a school may lose the kitchen, staff, and equipment that feeds all its students, including poor children. Those schools with the highest proportion of paid lunches (or lowest proportion of free and reduced-price lunches) will be most dramatically affected by the elimination of the paid subsidy, and thus at great risk of terminating the program entirely.

We oppose the one year freeze on the annual cost of living adjustments in Federal reimbursements for the School Lunch, School Breakfast, and Child Care Food Programs.

Based on an inflation estimate of 5 percent, such a freeze would translate into a cut to participating schools of 6 cents per free meal and 4 cents per reduced-price meal served. Schools will therefore be forced to absorb higher meal costs while still maintaining required nutritional standards. The freeze would most severely impact schools which serve disproportionate shares of low and moderate income students.

We oppose the proposed termination of U.S. Department of Agriculture administration of the Summer Food Program in those states which are not prohibited by law from administering the program themselves. Though we agree that it would be far better if all states administered this program, it must nevertheless be noted that the program is a Federal program with final responsibility to our nation's children in USDA. The only group that would suffer were this proposal enacted would be the children now participating in the program.

We strongly support H.R. 7 which would restore some $200 million in child nutrition funding and make other important improvements in the programs. Most important to our constituency is Section 7 of the bill which would permit a nonpublic school to charge a maximum average tuition of $2500 (up from $1500) and yet participate in the lunch program.

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The 1981 Omnibus Budget Reconciliation Act, combined with inflationary annual increases, have negatively affected the financial viability of the lunch program. The Administration's proposed FY 1986 budget will further threaten the program in many yeshivos. This would be a tragic development for the nutritional well-being of our children and for the program as a whole.

We, therefore, urge you to use your good offices to maintain the program so that it may continue to serve our nation's children.

Sincerely,

STEVEN PRAGER, *General Counsel.*